ANNUAL PLAN

1972-73

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INTRODUCTION

It has been the usual practice to bring out the
nual Plan later in the financial year incorporating
tailed material from the States and the Central
inistries on Plan projects and programmes. De-
rting from this practice the Annual Plan for 1972-
3 is being released as early as possible after the
resentation of the Union Budget. This is intended
facilitate discussion in Parliament and to increase
e operational utility of the document. Detailed
rovisions for Plan schemes included in the Central
Budget are furnished in the Budget document entitled
'Plan—Budget Link". The Annual Plan document
provides a brief outline of the Plan as a whole with
special chapters devoted to the Approach, Financing
of the Plan and to the major schemes which have
been augmented or included in the Plan to promote
employment and greater social justice as part of
reorientation of the Fourth Plan.

CHAPTER 1

APPROACH

The Mid-term Appraisal of the Fourth Plan which was brought out in December 1971 indicated that the necessary adjustments will be introduced in an orderly way during the formulation of the Annual Plan, 1972-73 to give further impetus to our objective of growth with social justice. The four main directions in which increased effort was identified as necessary in the Appraisal document were better plan implementation and increased outlays to correct emerging short-falls, resource mobilisation in the Centre and in the States, increased self-reliance and larger outlays on schemes designed to promote employment and social justice.

2. It is a matter of satisfaction that the country has faced the additional burden arising from the influx of refugees from Bangla Desh, hostilities with Pakistan, the return and rehabilitation of refugees and assistance to Bangla Desh without any curtailment of resources necessary for long-term development and for increased social justice. There has been no reduction in Plan outlays in 1971-72. The provision for the Central and Centrally-sponsored Plan in the 1972-73 budget at Rs. 1787 crores is an increase of Rs. 332 crores over the outlay in 1971-72 representing a very sizeable increase in a single year. This has been made possible by the Centre's unprecedented resource mobilisation effort over these two years.

3. The estimated yield in a full year of the additional taxation measures adopted in the Union Budget of May 1971 and of the measures undertaken in October and December 1971 was of the order of Rs. 500 crores. The increase in market borrowings

and in small savings has amounted to a further Rs. 156 crores relative to the 1971-72 budget. The additional resources mobilisation by Centre in 1972-73 amounts to Rs. 150 crores not of States' share. Even excluding the special levies for relief to refugees from Bangla Desh, the aggregate resource mobilisation by the Centre in the first four years of the Plan will be of the order of Rs. 2900 crores (net of States' share) over the Plan period significantly exceeding the original Plan target of Rs. 2100 crores.

4. The Plan target for additional taxation in States was Rs. 1098 crores. Measures undertaken by the States in the first three years of the Plan are estimated to yield Rs. 777 crores over the Plan period. In the Annual Plan discussions the States have agreed to an aggregate tax effort of Rs. 88 crores for financing the Plan in 1972-73. The Plan financing pattern calls for a maximum effort by them. Additional resources mobilisation in States will be necessary in the last year of the Plan also. In this connection the appointment of the Expert Committee on taxation of agricultural incomes and wealth, on the basis of the decision taken at the Conference of Chief Ministers in October 1971 is an important step. Avoidance of overdrafts is an integral part of the discipline that should govern the Centre-State financial relationship. A specific scheme for this purpose will be implemented in 1972-73. States' share in additional taxation by the Centre in 1972-73 will amount to a substantial sum of Rs. 50 crores. This should improve their financial position in good measure.

5. The overall size of the Plan in 1972-73 at Rs. 3973 crores represents an increase of Rs. 815 crores over Plan outlay in 1971-72 (Rs. 3158 crores). As against the Plan outlay of Rs. 1701 crores in 1971-72 for Central and Centrally-sponsored schemes, the corresponding outlay for 1972-73 will be Rs. 2307 crores. This again is 36 per cent higher. In States and Union Territories, a Plan outlay of Rs. 1666 crores has been suggested

for 1972-73 making a step up of Rs. 209 crores over the approved Plan outlay of Rs. 1457 crores in 1971-72. This represents an increase of over 14 per cent.

6. The significant increases to the Plan outlay in 1972-73 have been combined with specific attention to correcting the shortfalls noticed in the Mid-term Appraisal and for promoting the main emphasis at the present juncture namely self-reliance and social justice. The Chapter on 'Plan in Outline' gives the special production programmes in cotton, raw jute and oil seeds which together account for about 40 per cent of our trade deficit. Programmes have been included to achieve increased output from existing capacity in steel and fertilisers as also for expansion and new projects in fertiliser. The modernisation of export-oriented traditional industries like jute and cotton textiles will get special attention. These programmes have an important bearing on the effort for greater self-reliance. The increase in public investment which is reflected in the step up in Plan outlay will provide substantial and all round stimulus to the economy. An Action Committee for Public Sector undertakings is engaged in formulating concrete recommendations, enterprise by enterprise, for improving production and profitability in the public sector. Similarly. decisions are being arrived at after industry-wise studies undertaken in the Planning Commission both for the public and private sectors. The National Committee on Science and Technology is engaged in a series of priority investigations which will lead to import substitution over the medium and long-terms.

7. Recognising that added emphasis was needed in the Fourth Plan for schemes that have a social welfare content, several new initiatives and larger provisions were included in the

Central Budget for 1970-71 presented by the Prime Minister for schemes for small farmers and agricultural labour, nutrition programmes for children, housing and urban development, rural drinking water supply and social security benefits for industrial workers and Government employees. In the Budget of 1971-72 another dimension was added to this effort by including a provision of Rs. 50 crores for rural employment and a provision of Rs. 25 crores for the educated unemployed. In the Annual Plan for 1972-73 a large overall provision of Rs. 125 crores has been made for special welfare schemes relating to the educated unemployed, expansion of elementary education, slum improvement in the major cities, rural water supply and rural homesites. This provision is in addition to a total provision of Rs. 90 crores for rural employment, drought-prone areas, small farmers, marginal farmers and agricultural labour and dry farming, and Rs. 21.5 crores for nutrition. The individual chapters in the Annual Plan document on rural employment and development, elementary education, special employment schemes, nutrition, housing and slum improvement and rural water supply outline the nature of these special schemes.

8. These schemes are directed to satisfying the basic minimum needs of the people. Assistance will be provided based on need and in a manner that will correct regional imbalances. The schemes have been so designed as to secure adequate coordination and the maximum impact can be expected for given levels of expenditure. The assistance to be provided to States will be in the form of a 100 per cent grant. These additional resources will supplement outlays provided in the State Plans for similar purposes and will not be permitted to substitute for them. Depending on their needs and absorption capacity, all the States will benefit from one or more of the new schemes. Wherever possible, State Governments will be expected to supplement these provisions with resources from their own budget or from institutional sources so that there could be a multiplier effect.

9. The main emphasis in the complex of schemes relating to rural employment and development will be to get the maximum impact out of them by effective coordination. The special employment schemes will result not only in providing employment to the educated unemployed but will also promote the design of integrated rural surveys, staffing of elementary schools, preparations of rural water supply schemes and setting up of self-employed entrepreneurs in rural areas. The schemes for elementary education, apart from providing employment to teachers, will increase enrolment in backward States with special emphasis on the schooling of girls and backward classes. It will also provide rural employment in the building of class rooms. The nutrition programmes will primarily benefit children in tribal areas and in urban slums. The slum improvement schemes is an important new initiative which will benefit the slum dwellers in cities which contain about 27 per cent of the total urban population of India. It will supplement funds being provided by the Housing and Urban Development Corporation and for the special schemes for the development of the Calcutta Metropolitan Area. The provision for rural water supply is a significant increase to the outlays States are now providing for this purpose and will benefit the States where the needs are most in terms of villages which suffer chronic scarcity or health hazards such as cholera and guinea-worm infestation.

10. The individual provisions for the schemes indicated in the Annual Plan document are tentative. Reappropriation based on needs and performance capabilities will be possible either within the same scheme or within the overall provision. The reorientation of the Annual Plan for 1972-73, apart from making a qualitative change in the current Plan, and taking care of the needs of growth will also provide a sound basis of experience for making a much bigger effort for greater social justice in the Fifth Plan.

CHAPTER 2

PLAN IN OUTLINE

In formulating the Annual Plan for 1972-73, the needs of the emerging situation have been kept in view. Special attention has been given to correcting the short-falls and the deficiencies brought to light in the Mid-term Appraisal of the Plan. A second major objective is a significantly enlarged provision for schemes intended to promote social justice.

2. High priority has been accorded in the Annual Plan to (a) firm commitments, (b) spill-over expenditures from the previous year, (c) completion of works in an advanced stage of construction, (d) expeditious construction of other works on hand and (e) fuller utilisation of capacities already created. In order to ensure that certain minimum facilities of elementary education, drinking water, housing and communications are available to the bulk of the population, allocation of resources and implementation of the relevant programmes will be appreciably stepped up during 1972-73. Maximum attention will be given to the need for generating additional employment opportunities, especially in the rural areas and for the educated unemployed. Efforts have been made to deliberately steer existing as well as new projects and programmes to fulfil the needs of employment. Accelerated implementation of the special schemes introduced during 1971-72 for generation of employment opportunities will be emphasised.

3. With a view to initiating advance action in respect of projects and programmes to be taken up during the Fifth Plan, it has been ensured that State Governments and Central Ministries provide necessary resources for carrying out investigations

and studies so that there are an adequate number of well-prepared projects available for the preparation of the Fifth Plan.

Plan Outlay

4. A Plan outlay of Rs. 3973.42 crores has been envisaged in the Centre, States and Union Territories for 1972-73 representing about 25 per cent of the Fourth Plan outlay in the public sector. This represents a step up of 25.8 per cent over the outlay of Rs. 3158 crores for the previous year. The distribution of the outlay for 1972-73 as compared with the outlay in 1971-72 is brought out in the following table:

(Rs. crores)

	Sector	Plan Outlay 1971-72	Plan Outlay 1972-73
1	Centre	1559·16	2144·20
2	Centrally Sponsored	141·50	162·97
3	Union Territories	69·11	64·50
4	States	1387·91	1601·75
	TOTAL	3157·68	3973·42

5. The outlays in the first four years of the Fourth Plan and the Fourth Plan estimates are as follows:

TABLE I : *Progress of Plan Expenditure*

(Rs. crores)

	Centre and Centrally Sponsored	States and Union Territories	Total
Fourth Plan (1969-74)	8870·69	7041·47	15912·15
1969-70 (Actuals)	1022·67	1159·67	2182·34
1970-71 (Anticipated)	1305·64	1336·84	2642·48
1971-72 (Outlay)	1700·66	1457·02	3157·68
1972-73 (Outlay)	2307·17	1666·25	3973·42
1969-73 Total	6336·14	5619·78	11955·92

6. The outlay for 1972-73 for Central schemes is higher by about Rs. 585 crores as compared to the corresponding outlay for 1971-72. Last year an outlay of about Rs. 105 crores was provided on certain non-Plan schemes, namely, crash scheme for rural employment, schemes for drought-prone areas, schemes for education unemployed, etc. These are now included in the Plan. In the case of Centrally-sponsored schemes, the outlay for 1972-73 is up by about Rs. 21.5 crores as compared to the corresponding outlay for 1971-72. The outlay for Union Territories is higher by about Rs. 11 crores on a comparable basis (i.e. including the outlay for Manipur and Tripura within Union Territories in 1972-73). In the case of the States, the outlay is higher by about Rs. 198 crores (excluding outlay for Manipur and Tripura shown under States in 1972-73).

In formulating the States' Annual Plan 1972-73, the basic objective has been to achieve a steady rate of growth and to promote social justice. Greater emphasis has, therefore, been laid on the production-oriented sectors, employment-oriented programmes and schemes benefiting the vulnerable sections of the community. Of the additional outlay of Rs. 198 crores, nearly one third is on expansion of social services, e.g., education, health, water supply and welfare of backward classes. About 20 per cent of the additional outlay is on agricultural programmes including cooperation. Larger provisions have also been made for development of villages and small industries and construction of roads. The State Governments have also been requested to make proportionately larger allocations for the accelerated development of backward areas and backward classes within the overall resources available for planned socio-economic development.

7. The distribution of the Plan outlay by individual States along with the quantum of Central Assistance to be provided to them during 1972-73 is given in Table 2. The distribution of outlay by Union Territories is given in Table 3. Details are shown in Annexure I and II respectively.

TABLE 2 : *Plan Outlay for 1972-73—States*

(Rs. crores)

l. lo.	States	Central Assistance	States Own Resources	Plan Outlay
0	1	2	3	4
1	Andhra Pradesh	46·56	58·44	105·00
2	Assam	32·96	7·29	40·25
3	Bihar	65·57	34·43	100·00
4	Gujarat	30·65	75·35	106·00
5	Haryana	15·23	66·77	82·00
6	Himachal Pradesh	22·00	4·57	26·57
7	Jammu and Kashmir	32·00	4·00	36·00
8	Kerala	33·95	30·05	64·00
9	Madhya Pradesh	50·83	58·17	109·00
10	Maharashtra	47·63	157·96	205·59
11	Manipur	7·50	..	7·50
12	Meghalaya	7·22	1·03	8·25
13	Mysore	33·56	38·74	72·30
14	Nagaland	7·59	1·41	9·00
15	Orissa	31·04	26·38	57·42
16	Punjab	19·59	65·41	85·00
17	Rajasthan	42·68	22·32	65·00
18	Tamil Nadu	39·19	77·16	116·35
19	Tripura	8·00	..	8·00
20	Uttar Pradesh	102·04	122·96	225·00
21	West Bengal	42·87	30·65	73·52
	TOTAL	718·66	883·09	1601·75

TABLE 3 : *Plan Outlay for 1972-73—Union Territories*

(Rs. lakhs)

Sl. No.	Union Territories	Plan Outlay
	1	2
1	Andaman and Nicobar Islands	300·00
2	Chandigarh	153·29
3	Dadra and Nagar Haveli	49·00
4	Delhi	4100·00
5	Goa, Daman and Diu	868·00
6	Laccadive, Maldive and Aminidivi Islands . . .	45·00
7	Mizoram	275·00
8	NEFA	360·00
9	Pondicherry	300·00
	TOTAL	6450·29[1]

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[1] These are slightly different from the figures indicated in Central Budget. As usual, the Union Territories will implement the approved outlys which will be reflected in the revised estimates.

8. The distribution of Plan outlay for 1972-73 between the Centre, Centrally-sponsored schemes, States and Union Territories by major heads of development is shown in Table 4.

TABLE 4: *Distribution of Plan Outlay for 1972-73 : Centre, Centrally-sponsored, State and Union Territories*

(Rs. lakhs)

Sl. No.	Head of Development	Centre	Centrally sponsored	States	Union Territories	Total
0	1	2	3	4	5	6
1	Agriculture and Allied Programmes . . .	42225	2715	32651	644	78235
2	Irrigation and Flood Control . . .	487	..	25340	204	26031
3	Power	12371	1150	45659	1103	60283
4	Village and Small Industries	2886	317	2896	165	6264
5	Industry and Minerals	68637	..	4383	55	73075
6	Transport and Communications . . .	58096	1159	12782	804	72841
7	Education . . .	5167	764	12438	1082	19451
8	Scientific Research .	4241	..	..	...	4241
9	Health	1022	2999	4300	405	8726
10	Family Planning . .	700	5615	..	..	6315
11	Water Supply and Sanitation	17	89	8867	1227	10200
12	Housing, Urban and Region Development . . .	1125	..	4565	503	6193
13	Welfare of Backward Classes	..	1436	2732	46	4214
14	Social Welfare[1] . .	15099	40	217	39	15395
15	Labour Welfare and Craftsmen Training .	233	12	499	59	803
16	Other Programmes .	2114	1	2846	114	5075
17	TOTAL	214420	16297	160175	6450	397342

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[1] Including Special Welfare Schemes.

9. A brief account of some of the important programmes included in the Annual Plan for 1972-73 is given in the following paragraphs. Fuller details in respect of the special programmes for Rural employment and development, Elementary education, Educated unemployed, Nutrition, Housing and Slum improvement and Rural Water Supply will be found in the separate chapters devoted to them.

Agriculture and Allied Programmes

10. Apart from the on-going agricultural programmes, certain schemes which are designed to overcome the main deficiencies and shortfalls that have been identified in the Mid-term Appraisal of the Fourth Plan will be taken up during 1972-73. In the field of agricultural research and education, special attention will be given to the development of agriculture in humid and high rainfall areas, temperate hilly zones etc. by taking up coordinated schemes for research on Water management in these areas and for research on use of saline water in agriculture. The research on post-harvest technology and allied matters will be intensified. For the development of dry areas, research on an integrated package of technology will be intensified. The scope of the on-going Coordinated Project on Dry Land Agriculture will be expanded with a view to cover the main recommendations made by the Working Group on dry farming set up by the Planning Commission, which submitted its final report in November 1971. New programmes have also been included in the Annual Plan for strengthening research on cotton and jute.

11. Special efforts will be made to boost the production of important commercial crops such as cotton, jute and oil seeds where production has fallen short of the Plan targets. These programmes are of particular significance for increased self-reliance since India has a large import bill in respect of cotton, vegetable oil, tallo and raw jute. To increase the production of cotton, particularly long staple, an intensive cotton district programme will be taken up during 1972-73, in an area of

6.2 lakh hectares out of which 4.9 lakh hectares are irrigated. The programme will be implemented in six districts having irrigated cotton and seven districts having rainfed cotton. Another programme relates to the development of cotton in the monocropped areas of West Bengal, namely, Sunderbans, and the coastal belt. Besides, programmes will also be undertaken for the propagation of Hybrid-4 cotton which is a high-yielding variety as well as multiplication and distribution of long staple varieties of cotton.

12. Intensive district programmes for jute will also be implemented in an area of 1.8 lakh hectares spread over six important jute producing districts of West Bengal, Bihar, Orissa and Assam during 1972-73. In addition, about 20,000 hectares will be covered by the programme for the development of mesta in Andhra Pradesh. The programme also envisages expansion of area under jute.

13. In the field of oilseeds, programmes have been included which will propagate the production of new oilseeds such as soyabeen, sun-flower and palm oil. The programme for the development of soyabeen is expected to cover 2 lakh hectares during 1972-73. The development of sun-flower will also be taken up since this oilseed has considerable yield potential as compared to other oilseeds. Development of palm oil, which is comparatively a long-term measure, will also be initiated in Kerala and Andaman and Nicobar Islands.

14. Production and distribution of seeds of short duration varieties of pulses with a view to propagating such varieties as part of the multiple cropping programme, will also be taken up during the year. In addition, demonstration of certain pulses such as pigeon pea, green gram and black gram will be taken up in the cultivators' field.

Targets of Production

15. The targets of production of foodgrains and major commercial crops and other development programmes envisaged for 1972-73 along with those for 1971-72 are given below. The State-wise targets are given in Annexure III, IV and V.

TABLE 5 : *Targets and Anticipated Achievements—Agriculture and Allied Programmes*

Item	Unit	1971-72		1972-73 Target
		Target	Anticipated achievement	
Foodgrains	Million tonnes	112	110-112	118
Oilseeds	Lakh tonnes	95	87-88	97[1]
Sugarcane (Gur)	Lakh tonnes	132	128-129	135
Cotton	Lakh bales (of 180 kg. each)	65	56-57	66
Jute (excluding mesta)	,,	64	55-56	64
High Yielding Varieties Programmes	Million hectares	18·00	17·93	22·10
Rice	,,	7·00	7·21	9·00
Wheat	,,	6·90	7·48	8·50
Maize	,,	0·50	0·49	0·50
Jowar	,,	1·20	0·91	1·10
Bajra	,,	2·40	1·84	3·00
Multiple cropping[2]	,,	1·90	1·75	1·89
Minor Irrigation[2]	,,	1·60	1·58	1·60
Soil Conservation[2]	,,	1·25	1·22	1·26
Consumption of chemical fertilisers	Million tonnes			
Nitrogenous (N)	,,	2.00	1·80	2·29
Phosphatic (P_2O_5)	,,	0·89	0·59	0·80
Potassic (K_2O)	,,	0·40	0·35	0·45
Plant Protection	Million hectares	50·00	46·00	56·00

[1] Includes, besides 5 major oilseeds, soyabean and sun-flower.

[2] Additional during the year: for all other Programmes it is level reache by the end of the year.

Major and Medium Irrigation

16. Priority has been given to the completion of the continuing schemes which are in an advanced stage of construction. Adequate provisions have also been made in respect of inter-State and multi-purpose projects. A number of new major and medium irrigation schemes will be launched. In addition, outlays will be provided for investigation of irrigation and power projects. In part those outlays will result in preparatory action for the Fifth Plan; they will also create additional employment for engineers and technicians. The proposal for a national water grid covering the five river basins of the Ganga, Narmada, Godavari, Krishna and Cauvery is being examined. The proposed scheme envisages the transfer of about 1.25 million hectare metres of water ultimately from the Ganga near Patna during the monsoon months to the Central and South Peninsular regions to supplement the reservoirs on the way and help stabilise irrigation facilities to large areas in the region. The studies conducted so far are only of a preliminary nature and detailed hydrological, engineering and other investigations are yet to be started. An expert team of UNDP is currently in India to study the proposal and advise Government in the matter.

17. It is targeted to create an additional potential and utilisation of 0.90 and 0.75 million hectares respectively during 1972-73.

Flood Control

18. According to the assessment made by the various States, floods have affected an area of 12.5 million hectares including a cropped area of 5.9 million hectares during 1971. Since the devastation and disruption caused by frequent floods have been seriously affecting the economy of the country as a whole, the States will have to accord high priority to flood-preventing works and provide adequate funds commensurate with the dimensions of the problem. The States have been requested to take into account the problem in its totality by preparing comprehensive

plans for flood control and drainage. Some of the importa
schemes which have recently been approved for implementati
are the Mahananda Embankment Scheme in West Bengal a
the remodelling and lining of Najafgarh Drain and the stor
water drainage of Shahdara area of Delhi. A provision of abo
Rs. 28.75 crores has been made during 1972-73 for flo
control, drainage and anti-sea erosion programmes.

Industries and Minerals

19. The total outlay provided in the Annual Plan for 19
73 is Rs. 793.39 crores. The bulk of the outlay is intended
basic industries like steel, fertilisers, petroleum, mineral de
lopment and non-ferrous metals. The steel projects account
about 30 per cent of the outlay envisaged for 1972-73. In n
ferrous metals, substantial additional provision has been m
for the aluminium and copper projects as compared with
previous year. Increased provision has been made for
exploration and the Haldia refinery; it is also envisaged that
construction of new refineries at Bongaigaon and in the No
west region will be taken up during 1972-73. Another m
direction in which progress in implementation is expected is
construction of the naphtha cracker and associated facilities
the Gujarat petrochemical complex. In fertilisers, substa
additional provision has been made to proceed speedily with
expansions and new projects.

20. Particular attention will be given to fuller utilisatio
existing capacity. Necessary provisions have been made
balancing or additional equipment that need to be set up
for technological improvements for achieving higher levels
output. As a result, better performance in industries like
and fertilisers is envisaged in 1972-73.

21. The need for expanding activities in the productio
consumer goods which are in short supply has also been
into account. In particular, provision has been made

speedily proceeding with the scooter project, for the expansion of the production of drugs and speeding up the implementation of projects for the manufacture of cement and paper.

22. Modernisation and rehabilitation of traditional industries will be an important task in 1972-73. A specific allocation has been made to assist the modernisation of expert oriented cotton and jute textile mills. Financial provision has also been made to strengthen the National Textile Corporation. Necessary outlay has been provided for the Bharat Coking Coal Company which has recently been set up to manage the coking coal mines taken over by the Government.

23. It is proposed to give particular attention to the industrial development of backward areas. Subsidy will be provided on the lines already announced to projects to be set up in the selected backward districts in different States. Apart from concessional finance, the Industrial Development Bank, in collaboration with other institutions and the State Governments, will also carry out studies on the industrial potential of the backward districts.

24. Provision has also been made for new projects to be taken up by way of advance action for the Fifth Plan, as for example, for the new steel plants to be put up at Hospet, Vishakhapatnam and Salem. Particular emphasis has been placed on speeding up surveys relating to natural resources in the mineral sector, as an essential pre-requisite to the identification of projects in the metallurgical, petroleum and allied sectors. In addition, provision has also been made for investigations and preparation of feasibility studies for projects, to be got ready in time for consideration for the Fifth Plan.

25. In the field of village and small industries, besides strengthening the Small Scale Industries Development Organisation including the Small Industries Service Institutes, financial and

other assistance will be provided to the educated unemployed and particularly to technically qualified persons, for setting up their own industries. The programme of Rural Industries Projects will also be sustantially expanded.

26. A synoptic view of the targets of production envisaged for 1972-73 for different industries is given in the following table.

TABLE 6 : 1972-73 : *Selected Targets of Production*

Sl. No.	Item	Unit	Target
	1	2	3
1	Steel Ingots	Mill. tonnes	7·5
2	Finished Steel	,,	5·6
3	Alloy and Special Steel	'000 tonnes	232
4	Aluminium	,,	180
5	Nitrogenous fertilisers (in terms of N)	,,	1400
6	Phosphate fertilisers (in terms of P_2O_5)	,,	400
7	Coking Coal	Mill. tonnes	18
8	Iron Ore	,,	30
9	Production of crude petroleum	,,	7·5
10	Refining capacity in terms of crude throughput	,,	19·0
11	Paper and Paper Board	'000 tonnes	775
12	Cement	Mill. tonnes	16·0
13	Cotton (Mill. Sector)	Mill. Metres	4000
14	Handloom, Powerlooms and Khadi	,,	3380
15	Sugar	'000 tonnes	4000

Power Development

27. The installed generating capacity in the country at the beginning of 1971-72 was 16.5 M.Kw. which is expected to increase to 17 M.Kw. at the end of 1971-72. In 1972-73, 1.5 M.Kw. are expected to be added which will step up the aggregate installed capacity in the country at the end of the financial year to about 18.5 M.Kw. The total sale of energy is expected to increase from about 54,000 million units in 1971-72 to about 59,000 million units in 1972-73.

28. The construction of transmission and distribution lines will be given priority. The progress of the transmission programme has suffered largely due to inadequate supply of steel for the fabrication of the towers. This position is expected to improve with the arrangements which have been made for the procurement of steel from abroad.

29. The expeditious construction of inter-State lines will be given high priority in the Annual Plan. Keeping in view the improtance and the urgency for the completion of Inter-Stations a provision of Rs. 11.5 crores has been made during 1972-73 for the purpose. Adequate provision has been made for setting of load Despatch Stations, Training Institutes and for Research.

30. The Rural Electrification Programme in the States has received increasing importance over the years. The programme is being partly financed from funds available within the State Plans and partly from funds made available to the States by the Rural Electrification Corporation and other financial institutions like A.F.C. The R.E.C. has sanctioned projects for Rs. 106 crores of which Rs. 43 crores have been provided to backward areas on concessional terms. It is anticipated that about 3 lakhs additional pump sets will be energised in 1972-73, bringing the total number of pumps in the country to about 22 to 23 lakhs as against 11 lakhs at the commencement of the Fourth Plan.

TRANSPORT

Railways

31. The originating freight traffic on the Railways amounted to about 196.5 million tonnes in 1970-71 and this level is not likely to be exceeded in 1971-72. Having regard to the prospects of recovery in the growth of freight traffic, it is anticipated that rail traffic may increase by about 9.5 million tonnes in 1972-73. While in terms of originating tonnage, railway traffic has not increased in recent years, there has been an increase of 5 per cent in tonne kilometres in 1971-72, reflecting an increase in the average lead of traffic and in the workload for the railways.

32. Passenger traffic on the railways has registered a steady increase in recent years. In 1971-72, the increase in originating passenger traffic is likely to be of the order of about 4 per cent. A further increase of about 3 per cent is anticipated in passenger traffic in 1972-73.

33. The programmes for acquisition of rolling stock are proposed to be stepped up in 1972-73. In particular, nearly 16,000 wagons in terms of four wheelers are proposed to be acquired in 1972-73 against 9178 in 1971-72. It is expected that the Railways will be in a position to step up supplies of wagons in 1972-73 as compared to 1971-72 for the movement of major commodities like coal, cement etc. in respect of which transport difficulties have been experienced of late.

34. As in the earlier years, a major part of the outlay provided for the works programme in 1972-73 is proposed to be utilised on works in progress. However, certain major new works relating to guage conversion, doubling of track, and new lines will also be taken up during 1972-73. It is proposed to take up in 1972-73 the conversion of the metre guage line from Barabanki to Barauni *via* Muzaffarpur. It is also proposed to undertake certain line capacity works required for the Bokaro Steel Plant. It is also proposed to take up the construction of the Diva-Bassein Road Rail link which will provide a link between the Central and Western Railways outside the con-

gested Bombay area. Recently shortages of rail transport have been experienced in the movement of certain major commodities in certain areas. Thus, difficulties have been reported in the movement of coal, from the West Bengal and Bihar area. With improvement in the law and order situation in the region and introduction of special measures by the railways to step up movements, the difficulties of rail transport are expected to ease.

Roads

35. The provision made in the Annual Plan 1972-73 for the Central roads programme is Rs. 77.53 crores. This includes *inter-alia* Rs. 63.10 crores for the development of national highways and Rs. 4.02 crores for Roads of Inter-State and Economic Importance. A provision of Rs. 90 lakhs has been made for advance action by way of investigations of schemes to be considered for inclusion in the Fifth Plan. This scheme will also provide employment to educated persons particularly engineers, and assist in the proper formulation of schemes for the Fifth Plan.

36. The main programme in the Central Sector during 1972-73, as in the preceding years, is the development of existing national highways. Special steps have been taken to accelerate the tempo of work on the Central roads programme which has hitherto tended to lag behind plan targets. The programme for development of new roads of inter-State and economic importance has been finalised and the pace of work on the programme is expected to be stepped up in 1972-73.

37. For States and Union Territories, and outlay of about Rs. 112 crores has been provided in 1972-73 for the road development programmes. A large part of the provision is proposed to be utilised for schemes already in progress. Specific provisions have been made for the development of rural roads.

Shipping

38. The total Indian shipping tonnage is expected to increase from 2.51 million g.r.t. at the end of 1971-72 to 2.67 million g.r.t. at the end of 1972-73.

Ports

39. The traffic handled by the major ports is estimated at 58 million tonnes for 1971-72 and is expected to increase to 65 million tonnes in 1972-73. The major part of the ports programme in 1972-73 will comprise continuance of works already in progress. The programme will include *inter-alia*, work on the Outer Harbour Scheme at Vishakhapatnam which is expected to be completed by the middle of 1974, completion of the Oil Dock Scheme at Madras, construction of ore and coal loading plants at Haldia and the Mormugao port project which is likely to be completed in 1972-73.

Scientific Research

40. The Research and Development Plan outlays are generally part of the allocations for the associated major activities in the different fields like agriculture, university education, medical care, geology etc. The R & D activities pertaining to the Department of Atomic Energy, the CSIR and the Scientific Surveys and Societies have however been considered separately and Plan allocations earmarked for the purpose. As against a total Fourth Plan allocation of Rs. 140.27 crores, the commitment for the period 1969-72 will be of the order of 60-72 crores and the outlay for 1972-73 is of the order of Rs. 42.41 crores representing a significant step-up. Arising out of the mid-term appraisal, a concerted thrust is being made by the DAE, CSIR Laboratories and the Scientific Surveys and Societies during 1972-73 to complete projects which are likely to make a large impact in this priority area. A number of structural changes are also envisaged both to promote better utilisation of the R & D potential as also to increase the pace of progress.

41. The setting up of the National Committee on Science & Technology marked a major organisational innovation in the making of our science policy, the delineation of our research priorities and achievement of better coordination among existing scientific and technological research agencies in the country. The Committee has been asked to draw up a Science & Technology Plan as a counter-part to our socio-economic development Plans.

Work on the preparation of such a plan has already been taken on hand. Of more immediate relevance is the setting up of teams of experts under the auspices of the NCST to look into the problems of minerals, fuel, chemicals heavy engineering equipment, machine tool and farming equipment, non-ferrous metals and special alloys, aeronautics, defence and space, and agriculture particularly cotton and food. These are areas where it is felt that a more massive and purposive R & D effort will pay rich dividends in improving technology and increasing production for us to attain higher levels of self-reliance in these crucial sectors.

42. The salient features of some of the important programmes of these Departments are indicated below.

Department of Atomic Energy

43. Special irradication facilities for medical products, potato/onion irradiators and pilot plants for industrial irradiators will be taken up. Work is expected to commence on the Radiation Medicine Centre and the Radio Pharmaceuticals production facilities during the year. It is proposed to set up a new thermal Research Reactor along with suitable computation facilities to aid R & D work on thermal reactors. Based on the preparatory project report on Fast Breeder Thermal Reactors, work on the setting up of the Reactor Research Centre at Kalpakam will be taken up.

44. Phase II of the Space, Science and Technology Centre would commence with the aim of developing indigenously a satellite launch capability by 1974. The propellant Plant at Thumba will be expanded to back up these activities. The second phase of the Rocket Fabrication Facilities programme will enable the upgrading of facilities for undertaking manufacture of rockets above 400 mm. diameter range. In the second phase of Sriharikota Range programme, ground support facilities as also tracking and testing facilities will be undertaken. Work on facilities for static test and simulated high altitude tests of rocket motors and pyro techniques will be undertaken

at Sriharikota Range. The Solid Propellant for space Booster Plant for large size propellant and allied systems will be undertaken.

Council of Scientific and Industrial Research

45. The national laboratories under CSIR are stepping up activities on projects under the following priority areas :

(i) *Development of processes for agricultural operations and processing of food and animal products* : Some of the programmes included in the Plan are (a) production of fertilisers from indigenous resources such as rock phosphate, potassium salts and coal; (b) production of pesticides and chemisterilants for control of pests; (c) development of storage structures for grain and refrigerated transport for perishables; (d) processing of oilseeds and protein foods to supplement protein resources; (e) utilisation of agriculture wastes and (f) processing of hides and skins and production of leather goods.

(ii) *Mineral and Industry* : Under this area important projects relate to (a) beneficiation and agglomeration of low grade ores; and minerals for the iron and steel industry (b) recovery of scarce minerals like nickel from laterite ores; (c) production of oil and chemicals from coal (d) development of geophysical facilities and techniques for mineral and ground water exploration; (e) production of electronic materials, components and systems; (f) organic intermediates for dyes, drugs, paints, polymers and resins etc.

(iii) *Housing, Transport, Medicine and Health* : Provision has been made in the plan for projects for (a) processing of low-cast bricks and structural clay products (b) design of low-cost residential and educational buildings, (c) construction of low cost roads and pavements, (d) extraction of active principles from medicinal plants, (e) treatment of water, sawar wastes, industrial wastes etc.

cientific Surveys

46. The Annual Plan provision for the Survey of India envi- ages completion of the schemes for Survey Training and Map roduction at Hyderabad and in the Indian Photo-Interpretation nstitute, Dehra Dun. The programme for modernisation of artographic procedures and survey of irrigation and power pro- ects and mineal exploration will be given priority. The Botanical Survey of India, apart from strengthening its various units, will e setting up a Regional Circle at Andaman and Nicobar Islands s also an arid Zone circle at Jodhpur. The Zoological Survey f India has envisaged the establishment of a Marine Biological Station at Madras and undertaking an expedition to Andaman nd Nicobar Islands. The National Atlas Organisation will be trengthened with a Photo Interpretation Unit and will undertake work on Tourist Atlas and Resources Atlas. The Anthropological Survey will initiate schemes pertaining to North Western Station, the Museum of Man, Zonal Museums and strengthening of the Regional Stations.

47. The National Research Development Corporation will accelerate its pace of work on the setting up of pilot plants for industrial production schemes based on indigenous know-how.

Education

48. The outlays provided for education in the Annual Plan 1972-73 are Rs. 225 crores which marks a considerable step-up from the outlays for 1971-72 which were Rs. 157 crores.

Elementary Education

(ii) The progress of Plan expenditure on elementary education in the first three years of the Fourth Plan was not satisfactory.

The earmarked outlays on elementary education in the Annual Plans of the States and Union Territories for 1972-73 will, however, total up to Rs. 56.7 crores as against the corresponding figure of Rs. 44 crores for 1971-72. In addition, a sum of Rs. 30 crores will be available in the Central Plan for 1972-73. This reflects the higher priority accorded to elementary education in the Annual Plan 1972-73. Mention may also be made of the fact that the earmarked Plan outlays for elementary education during 1972-73 in the backward States of Bihar, Madhya Pradesh, Orissa, Rajasthan and Uttar Pradesh are considerably higher than those for the preceding year.

Science Education

(iii) During 1970-71, the UNICEF-sponsored project fo improving science education at the elementary stage was introduced on a pilot basis in 30 to 50 schools in each State. Equipmen was supplied to selected training institutions to organise in-servic training courses. During the last two years of the Plan, the programme will be extended further. About 500 training institution will be properly equipped and 24,000 primary schools and 31,00 middle schools will impart sicence education according to revise syllabus.

Work Experience and Vocationalisation

(iv) The accent on pilot projects in work experience and vocationalisation would be on identifying and trying out concret programmes for linking up the educational structure in the distric with its overall economic and social development with specia reference to employment, productivity and social justice. Th occupational and educational surveys have been completed During the next year, programmes will start in 17 districts.

Adult Education

(v) The pilot projects in the adult education aim at liquidatin adult illiteracy. It is proposed to cover one block in each of th

17 districts mentioned earlier in which pilot projects are being launched in the next year.

University Education

(vi) About 3 lakh students in arts, science and commerce courses will be added to the university institutions during 1972-73. Preliminary work relating to the setting up of a post-graduate centre as a prelude to the establishment of a Central University in the North Eastern Region of India will be initiated. The U.G.C. will continue to provide assistance for the expansion and improvement of post graduate education and research, development of centres of advanced study, extension of library and laboratory facilities and staff and student welfare activities. A council of Historical Research for encouraging and fostering objective and scientific writing in history will be set up.

Technical Education

(vii) The main emphasis in technical education will be on the consolidation and improvement of technical education. Stress will, therefore, continue to be laid on restructuring the curricula of degree and diploma courses, short term and long term training of teachers, including practical training in industry, introduction of cooperative and sandwich courses in collaboration with industry and organisation of short term refresher courses for serving personnel in industry. A scheme for the award of doctoral and post-doctrol fellowships in engineering and technology will be initiated. To meet the increasing demand for high level managerial personnel, an institute of management will be set up at Bangalore.

Health

49. The main features of the Annual Plan 1972-73 is to give momentum to such of those schemes both in the Centrally-sponsored as well as in the State Sector which are directed to solving the basic health problems such as the Basic Health Services scheme and the Small-pox Eradication programme.

These schemes also being staff-oriented have a high employment potential. Many of the States also have surpluses of trained nurses who are unemployed. At the same time, the nurse-bed ratio in the hospitals is far from adequate. State Governments have therefore been requested to create additional posts of nurses. During 1972-73, the urban programme for malaria eradication will be extended to the major towns of the country. To achieve self-sufficiency in the indigenous production of vaccine, the production capacity of the existing four freeze-dried manufacturing institutes will be expanded during 1972-73.

50. Under Medical Care programmes, emphasis is being laid on establishing adequate number of beds in the rural areas to remove the existing imbalance in the availability of medical care facilities *vis-a-vis* urban areas. Since PHCs form the base of the integrated structure of medical services in the rural areas, State Governments are being requested to provide an effective machinery for the speedy construction of buildings and improvement to PHCs by providing necessary staff, drugs and equipment. The Central Government Health Scheme will be further extended and strengthened during the Annual Plan 1972-73. With a view to providing more medical facilities in backward and disadvantaged areas, provision for financial assistance to voluntary organisations has been made for setting up new hospitals in or for rural areas on the basis of Centre, State and the voluntary organisations meeting the expenditure equally.

Family Planning

51. In 1972-73 special and concerted efforts in various Family Planning programmes will be undertaken so that deficiencies and bottlenecks of the earlier years can be corrected. The absence of necessary infra-structure facilities, lack of adequate mobility of medical and para-medical staff and under-utilisation of training facilities have been some of the principal factors responsible for unsatisfactory performance in the previous years. Steps will be taken to correct these deficiencies during 1972-73.

52. The important features of the strategy during 1972-73 will be the following:

(i) Construction of buildings to provide working and living accommomdation for F.P. staff at rural main centres and sub-centres.

(ii) Placement of requisite staff as well as the second doctor at rural centre.

(iii) Provision of at least one vehicle at each PHC and strengthening of the State Health Transport Organisations to look-after the maintenance of vehicles.

(iv) Full utilisation of training facilities for different categories of personnel.

53. Emphasis is also being laid on the nutritional aspect of the programme. The introduction of population education at school levels is also being expedited. Follow-up will be given necessary importance and the MCH supplemental programme will be affectively used to improve the IUCD programme. The important physical targets for 1972-73 are :

(i) 0.9 million	..	IUCD insertions
(ii) 2.0 million	..	Sterilisations
(iii) 4.2 million	..	Nirodh acceptors

Welfare of Backward Classes

54. The Annual Plan for 1972-73 for the welfare of backward classes shows a significant increase from Rs. 30.22 crores in 1971-72 to Rs. 42.14 crores.

55. The major programme for the development of Scheduled Tribes is the Tribal Development Block programme. By the end of 1972-73, out of 484 blocks, 4 blocks will be in Stage I, 370 in Stage II and 110 in Stage III. For integrated development of tribal areas six pilot projects covering a number of Tribal

Development Blocks have been started as mentioned in the chapter of Rural Development and Employment. This is an important development in raising the economic standards of the tribals and this programme will be a precursor to detailed area planning in Scheduled Areas.

56. Various State Governments are trying to improve the economic lot of Harijans by setting up special corporations for the purpose. Corporations for agricultural purposes have been set up in Punjab, Haryana and one is proposed in Kerala. The necessity for setting up these Corporations arose on account of the inability of cooperatives formed by these groups to obtain institutional loans for want of worthwhile surety. Housing Corporations for Harijans have been set up in Mysore and Maharashtra. These Corporations will be able to obtain institutional loans and will give long-term loans to Scheduled Castes for agriculture and housing.

57. For Scheduled Castes and Scheduled Tribes, the major programme under educational development, is the post-matric scholarship programme. The scholarship covers maintenance charges, compulsory non-refundable fees and study tour charges in professional courses. From 1971-72 in order to give a further incentive to meritorious students among Scheduled Castes and Scheduled Tribes, their rates of scholarships have been raised to 50 per cent for those who obtain 60 per cent marks in their last university examination. The programme will be continued with this improvement in 1972-73.

Social Welfare

58. The Annual Plan 1972-73 provides for an outlay of Rs. 28.95 crores for Social Welfare programmes.

59. The Family and Child Welfare scheme which is an integrated national programme directed towards welfare of women and children in rural areas, will be continued. The scheme aims at providing services benefitting pre-school children, basic training to women in home-craft, mother-craft, health

education, nutrition and child care. An outlay of Rs. 172 lakhs has been provided for the continuation of this scheme in 1972-73 as against Rs. 140 lakhs provided during 1971-72.

60. A beginning has been made in providing institutional services to destitute children through voluntary organisations. The scheme will be further expanded. The voluntary organisations entrusted with the responsibility of promoting this programme will share 10 per cent of the recurring as well as non-recurring expenses. A similar scheme is proposed to be started for destitute women during 1972-73.

61. For tackling the problem of mal-nutrition among pre-school children, there are now two major programmes under implementation, namely, nutrition feeding of pre-school children through balwadis and the special nutrition programme for children in the age-group 0-6 years and expectant and nursing mothers in the slum and tribal areas. The special nutrition programme was begun in 1970-71 as a non-plan scheme and covered about 6.5 lakh children. The anticipated expenditure on this scheme during 1971-72 is Rs. 11.48 crores. These programmes are dealt with in detail in the chapter on nutrition programmes.

62. An outlay of Rs. 47 lakhs has been proposed for welfare of the handicapped in the Central Sector. The major schemes relate to expansion and establishment of national centres for blind, deaf, mentally retarded children and the orthopaedically handicapped. This is in addition to programmes of education, employment, research studies, training of personnel and assistance to voluntary organisations. Emphasis will be laid on qualitative improvements to existing services. The programme of scholarships to handicapped students will be enlarged.

ANNEXURE I

Plan Outlay for 1972-73—States

Sl. No.	Head of Development	Andhra Pradesh	Assam	Bihar	Gujarat	Haryana	Himachal Pradesh	Jammu & Kashmir	Kerala	Madhya Pradesh	Maharashtra	Manipur
0	1	2	3	4	5	6	7	8	9	10	11	12
1	Agriculture and Allied Programmes	1700	873	1960	1730	1460	741	624	1283	2834	5011	109
2	Irrigation & Flood Control .	2000	691	2509	2463	1616	6	242	620	2042	3318	48
3	Power . .	4190	690	2450	2846	2185	489	934	2130	2192	4505	82
4	Village & Small Industries . .	152	130	161	73	104	60	90	208	176	295	33
5	Industry & Minerals . .	262	230	251	342	73	86	125	251	216	587	12
6	Transport & Communications	419	484	849	793	1476	688	640	380	837	1420	226
7	Education .	459	411	803	796	498	221	241	376	716	2054	97
8	Health . .	150	149	240	175	306	95	105	211	300	172	44

9	Water Supply & Sanitation . .	669	116	416	474	290	100	246	675	594	1858	25
10	Housing, Urban & Regional Development. .	224	60	156	210	61	104	85	169	300	451	15
11	Welfare of Backward Classes .	235	107	141	200	76	29	15	46	418	311	36
12	Social Welfare .	9	11	3	10	10	8	6	7	21	14	1
13	Labour Welfare Craftsmen Training . . .	11	17	43	36	19	14	14	20	32	48	1
14	Other Programmes	20	56	18	452	26	16	233	24	222	515	21
15	Total . . .	10500	4025	10000	10600	8200	2657	3600	6400	10900	20559	750

ANNEXURE I—*contd.*

Sl. No.	Haed of Development	Meghalaya	Mysore	Nagaland	Orissa	Punjab	Rajasthan	Tamil Nadu	Tripura	Uttar Pradesh	West Bengal	Total
0	1	13	14	15	16	17	18	19	20	21	22	23
1	Agriculture and Allied Programmes	218	1887	172	1313	1453	762	2325	206	4646	1344	32651
2	Irrigation & Flood Control . .	5	1341	—	770	909	1758	814	12	3328	848	25340
3	Power . .	42	1775	51	1787	4348	1740	3266	195	7892	1870	45659
4	Village & Small Industries . .	30	177	15	81	77	15	500	22	350	147	2896
5	Industry & Minerals . .	30	231	83	124	204	147	380	3	386	360	4383
6	Transport & Communication . .	278	327	298	379	506	190	573	124	1559	336	12782
7	Education .	81	426	109	488	392	602	1233	106	1527	802	12438
8	Health . .	30	180	41	195	165	181	350	25	856	330	4300

9	Water Supply & Sanitation . .	40	500	73	214	220	812	949	19	400	177	8867
10	Housing, Urban & Regional Development . .	13	155	42	205	107	152	688	17	323	1027	4565
11	Welfare of Backward Classes .	—	140	—	121	50	70	447	45	205	40	2732
12	Social Welfare .	3	17	3	4	10	11	27	3	22	18	217
13	Labour Welfare & Craftsmen Training	—	44	—	24	34	17	27	2	54	42	499
14	Other Programmes	55	30	13	37	25	43	56	21	952	11	2846
15	Total . .	825	7230	900	5742	8500	6500	11635	800	22500	7352	160175

ANNEXURE II

Plan Outlay for 1972-73—Union Territories

(Rs. lakhs)

Sl. No.	Head of Development	Andaman & Nicobar Islands	Chandi-garh	Dadra & Nagar Haveli	Delhi	Goa, Daman & Diu	Laccadive Minicoy & Amin-divi Islands	Mizo-ram	NEFA	Pondi-cherry	Total
0	1	2	3	4	5	6	7	8	9	10	11
1	Agriculture & Allied Programmes . .	36·10	9·61	13·94	86·00	229·06	24·18	60·00	105·57	79·83	644·29
2	Irrigation & Flood Control	—	—	3·00	126·00	60·20	—	—	—	14·60	203·80
3	Power	10·40	45·00	5·00	791·00	147·85	3·70	54·98	30·00	15·06	1102·99
4	Village & Small Industries	1·18	10·00	2·05	112·00	14·15	2·27	5·28	8·20	9·97	165·10
5	Industry & Minerals .	—	—	1·03	45·00	6·28	—	—	0·53	2·00	54·84
6	Transport & Communi-cations . . .	167·68	2·50	12·00	304·00	95·68	1·00	94·25	98·15	28·82	804·08
7	Education . . .	26·09	23·50	6·00	799·00	91·87	6·67	23·03	45·05	60·27	1081·48
8	Health	4·47	15·94	1·49	262·00	64·00	3·79	10·47	27·67	15·53	405·36

9	Water Supply & Sanitation	44·00	2·50	1·50	1002·00	114·16	—	21·37	11·00	31·00	1227·53
10	Housing Urban & Regional Development . .	3·50	—	1·86	456·00	16·00	0·07	1·00	—	24·86	503·29
11	Welfare of Backward Classes	1·48	—	—	29·00	6·00	0·25	—	—	8·96	45·69
12	Social Welfare . .	0·21	—	0·50	32·00	0·88	—	0·31	—	5·52	39·42
13	Labour Welfare & Craftsmen Training . .	0·42	4·04	—	35·00	8·04	—	2·06	7·00	2·10	58·66
14	Other Programmes .	4·47	40·20	0·63	21·00	13·83	3·07	2·25	26·83	1·48	113·76
15	Total	300·00	153·29	49·00	4100·00	868·00	45·00	275·00	360·00	300·00	6450·29

ANNEXURE III

State-wise Targets of Crop Production (1972-73)

Sl. No.	Name of the State	(million tonnes) Food-grains	(million tonnes) Oil-seed	(million tonnes) Sugar-cane (Gur)	(million bales) Cotton	(million bales) Jute
0	1	2	3	4	5	6
1	Andhra Pradesh	9·00	1·38	1·16	0·22	..
2	Assam	2·38	0·06	0·14	..	1·21
3	Bihar	10·20	0·14	0·70	..	1·00
4	Gujarat	4·00	1·75	0·25	1·84	..
5	Haryana	4·97	0·12	0·78	0·40	..
6	Himachal Pradesh	1·20	..	..	..	..
7	Jammu & Kashmir	1·05	..	..	..	..
8	Kerala	1·60	0·03	0·06	0·01	..
9	Manipur	0·26	..	..	..	..
10	Meghalaya	0·17	0·003	..	0·004	0·05
11	Madhya Pradesh	11·90	0·65	0·20	0·56	..
12	Maharashtra	8·00	0·80	1·70	1·50	..
13	Mysore	6·20	0·80	0·80	0·60	..
14	Nagaland	0·08	..	0·04	..	..
15	Orissa	6·50	0·27	0·28	..	0·42
16	Punjab	7·80	0·37	0·60	0·96	..
17	Rajasthan	7·50	0·30	0·10	0·35	..
18	Tamil Nadu	7·50	1·28	1·04	0·53	..
19	Tripura	0·26	0·004	0·01	0·003	0·07
20	Uttar Pradesh	20·10	1·86	6·00	0·06	0·22
21	West Bengal	8·50	0·09	0·16	..	3·80

ANNEXURE IV

State-wise Targets of Irrigation and Soil Conservation (1972-73)

(Unit : Addl. Area in thousand hectares)

Sl. No.	Name of the State	Major & Medium Irrigation		Minor Irrigation	Soil Conservation on Agricultural Lands
		Additional Potential	Additional Utilization		
0	1	2	3	4	5
1	Andhra Pradesh . .	55·00	36·00	85·00	44·52
2	Assam	21·00	14·00	56·23	6·00
3	Bihar	243·00	258·00	169·00	14·00
4	Gujarat . . .	111·00	55·00	127·00	78·00
5	Haryana . . .	41·00	28·00	30·00	17·00
6	Himachal Pradesh .		..	2·60	2·10
7	Jammu & Kashmir .	2·00	2·00	1·80	2·00
8	Kerala . . .	26·00	26·00	8·00	2·50
9	Manipur . . .	..	..	4·50	1·00
10	Meghalaya . . .	..	..	3·00	1·10
11	Madhya Pradesh . .	29·00	48·00	116·00	220·00
12	Maharashtra . . .	18·00	5·00	130·00	425.00
13	Mysore . . .	51·00	66·00	52·00	87·00
14	Nagaland . . .	..	..	2·00	1·20
15	Orissa	83·00	76·00	27·00	9·00
16	Punjab . . .	9·00	10·00	125·00	14·00
17	Rajasthan . . .	10·00	29·00	47·00	72·00
18	Tamil Nadu . . .	32·00	19·00	95·00	41·70
19	Tripura . . .	..	..	1·00	0·30
20	Uttar Pradesh . .	128·00	95·00	451·00	228·00
21	West Bengal . . .	70·00	9·00	50·00	6·00

ANNEXURE V

State-wise Targets of Agricultural Programmes (1972-73)

Sl. No.	Name of the State	HVP	Multiple Cropping	Consumption of chemical fertilisers			Plant protection (thousand hectares)
		(thousand hect.)		(thousand N	P	tonnes) K	
0	1	2	3	4	5	6	7
1	Andhra Pradesh	1580·00	225·00	260·00	100·00	25·00	8600
2	Assam	299·75	40·00	7·50	3·50	2·00	151
3	Bihar	1677·00	202·00	160·00	65·00	30·00	3500
4	Gujarat	900·00	70·00	150·00	55·00	8·00	750
5	Haryana	1300·00	80·00	100·00	24·00	11·00	2900
6	Himachal Pradesh	230·00	16·00	10·00	5·00	2·50	200
7	Jammu & Kashmir	274·00	20·00	5·50	1·50	0·80	200
8	Kerala	475·00	10·00	45·00	30·00	30·00	1300
9	Manipur	15·20	—	1·00	0·20	0·10	248
10	Meghalaya	13·00	0·07	2·00	2·00	0·30	30
11	Madhya Pradesh	1182·00	140·00	100·00	50·00	13·00	3640
12	Maharashtra	1882·00	60·00	150·00	75·00	50·00	7000

13	Mysore	718·00	50·00	135·00	106·00	60·00	3000
14	Nagaland	1·70	—	0·24	0·15	0·05	10
15	Orissa	546·50	225·00	60·00	18·00	6·00	1200
16	Punjab	2222·00	125·00	250·00	80·00	42·00	3400
17	Rajasthan	1234·00	30·00	60·00	23·00	7·00	4200
18	Tamil Nadu	2675·00	40·00	220·00	75·00	60·00	5500
19	Tripura	18·00	—	0·78	0·24	0·30	200
20	Uttar Pradesh	3492·00	354·00	430·00	150·00	100·00	8425
21	West Bengal	1600·00	200·00	90·00	35·00	30·00	1490

CHAPTER 3

FINANCING THE PLAN

Table 1 shows that the scheme of financing the Plan at the Centre and in the States for 1972-73, together with the scheme originally envisaged for the 1971-72 Plan. The pattern of financing the Plan in 1969-70 and 1970-71 as well as the estimates of resources for the Fourth Plan as a whole are shown, alongside the schemes of financing for 1971-72 and 1972-73, in Annexure I.

TABLE I: *Estimates of Resources for the Plan-Centre and States*

(Rs. crores)

Sl. No.		1971-72 Annual Plan[1]			1971-72 Annual Plan[2]		
		Centre	States	Total	Centre	States	Total
0	1	2	3	4	5	6	7
1	*Domestic budgetary resources, other than negotiated loans from the LIC and State enterprises' market borrowings:*	**1252**	**341**	**1593**	**1538**	**456**	**1994**
2	Balance from current revenues at 1968-69 rates of taxation	44	138[3]	182	215	166[3]	381
3	Contribution of public enterprises at 1968-69 fares, freights and tariffs:						
4	Railways	—35	—	—35	—41	—	—41
5	Posts and Telegraphs	42	—	42	56	—	56
6	IDC, ARC, REC, DVC and Central power generation units	55	—	55	76	—	76
7	Others	111	60	171	138	67	205
8	Retained profits of Reserve Bank	50	10[4]	60	75	14[4]	89
9	Market borrowings of Central and State Governments (net)	168	100	268	215	109	324

TABLE 1—contd.

(Rs. crores)

0	1	2	3	4	5	6	7
10	Borrowings by FCI and financial institutions:						
11	Food Corporation of India	19	—	19	95	—	95
12	Financial institutions	39	—	39	37	—	37
13	Small savings	64	116	180	80	150	230
14	Annuity deposits, compulsory deposits, prize bonds and gold bonds	—17	—	—17	—16	—	—16
15	State provident funds	89	62	151	99	68	167
16	Miscellaneous capital receipts (net)	623	—145	478	509	118	391
17	*Additional resources mobilisation:*	544	181	725	930	305	1235
18	By Centre:	544	—	544	930	—	930
19	1969-70 measures	150	—	150	160	—	160
20	1970-71 measures	197	—	197	210	—	210
21	1971-72 measures	197	—	197	410	—	410
22	1972-73 measures	—	—	—	150	—	150

23	By States:	—	181	181	—	305	305
24	1969-70 measures	—	94	94	—	101	101
25	1970-71 measures	—	58	58	—	52	52
26	1971-72 measures	—	29	29	—	64	64
27	1972-73 measures	—	—	—	—	88	88
28	*Loans from LIC and State enterprises' market borrowings (gross):*	—	146	146	—	189	189
29	LIC loans to State Governments for housing and water supply	—	29	29	—	28	28
30	Market borrowings of State enterprises	—	80	80	—	113	113
31	LIC loans to State enterprises	—	37	37	—	[48]	48
32	*Total domestic budgetary resources*	1796	668	2464	2468	950	3418
33	*Budgetary receipts corresponding to external assistance* (net)[a]	461	—	461	380	—	380
34	Other than PL 480	349	—	349	384	—	384
35	PL 480 assistance	112	—	112	—4	—	—4

TABLE 1—*contd.*

(Rs. crores)

36 Deficit financing	233	—	233	242	—67	175
37 *Aggregate resources*	**2490**	**668**	**3158**	**3090**	**883**	**3973**
38 Assistance for State Plans	—720	720	—	—719	719[7]	—
39 *Resources for the Plan*	**1770**	**1388**	**3158**	**2371**	**1602**	**3973**

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1. As prepared at the time of the formulation of the Annual Plan for 1971-72.

2. The estimates for the Centre represent Budget Estimtes while those for the States are based on the discussions held with them during August, 1971—January, 1972.

3. Includes States, share in additional taxation by the Centre in 1969-70, 1970-71 and 1971-72.

4. Reserve Bank loans to State Governments for participation in the share capital of cooperatives.

5. Net of States, share.

6. Net of loan repayments only. Interest payments have been allowed for in calculating the balance from current revenues.

7. Includes assistance for Manipur and Tripura which were earlier Union Territories.

It will be seen that the public sector Plan for 1972-73 envisages a step-up of about Rs. 815 crores over the provision made in the Annual Plan for 1971-72. The Plan for 1972-73, however, includes certain schemes, e.g., crash programme for rural employment, scheme for educated unemployed, scheme for drought prone areas, etc., which were kept outside the Plan in 1971-72. The provision for expenditure on such schemes in 1971-72 was Rs. 105 crores. On a comparable basis, therefore, Plan outlay for 1972-73 shows a step-up of about Rs. 710 crores over the level envisaged in the Annual Plan for 1971-72.

2. To finance the enlarged public sector Plan outlay in 1972-73, greater reliance is placed on domestic budgetary resources. Such resources are estimated at about Rs. 3,418 crores, representing 86 per cent of the Plan outlay in 1972-73 as against 78 per cent in the Annual Plan for 1971-72. On the other hand, the budgetary receipts corresponding to external assistance, which are estimated at Rs. 380 crores, work out to only 10 per cent of the Plan outlay for 1972-73 as against 15 per cent for 1971-72. Deficit financing in 1972-73 has been taken at Rs. 175 crores. This comes to a little over 4 per cent of the Plan outlay as compared to 7 per cent in the Annual Plan for 1971-72.

3. Brief comments on the estimates in respect of individual items of Plan financing are given below:

Balance from Current Revenues

4. The Centre's contribution for the Plan in 1972-73 from current revenues at 1968-69 rates of taxation is estimated at about Rs. 215 crores, which shows an increase of Rs. 171 crores over the estimate originally taken for 1971-72. A major part of this increase (Rs. 105 crores) is attributable to the fact that certain development schemes, e.g., crash programme for rural employment, scheme for educated unemployed, scheme for drought prone areas, etc., which are included in the Plan

for 1972-73, were kept outside the Plan in 1971-72. Th balance of the increase is the result of the growth of tax and non-tax revenue after allowing for the increase in non-Plan expenditure.

5. Total revenue receipts at the Centre in 1972-73 at 1968-69 rates of taxation are expected to show a large increase ove the original estimate for 1971-72, due partly to greater buoyancy of revenues in 1971-72, than originally envisaged and speedier collection of taxes.[1] The bulk of the increase in revenue is however, expected to be absorbed by the rise in non-Plan expenditure. Following the outbreak of hostilities with Pakistan, defence expenditure has risen substantially in 1971-72. It has been kept at about the same level for 1972-73. Debt servic in 1972-73 shows a large increase over the originally estimate for 1971-72. Besides, the public distribution system will have to rely in 1972-73 mainly on indigenous wheat which involves substantial subsidy. A provision of Rs. 100 crores has, therefore, been made for food subsidy in 1972-73 as against th original estimate of Rs. 30 crores for 1971-72. It will be necessary to take appropriate measures to ensure that the burden o food subsidy does not grow beyond the level provided for. Th other non-Plan expenditure is expected to show only a moderat increase due to the various economy measures adopted by th Government.

6. In the States, the balance from current revenues in 197 73 at 1968-69 rates of State taxes is estimated at about Rs. 16 crores, which is higher than the original estimate for 1971-7 by Rs. 28 crores. Recepits of State Governments by way share in Central taxes as well as revenue from their own tax an non-tax sources are expected to show a large increase, but th bulk of the increase is expected to be absorbed by rise in no Plan expenditure.

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[1] Dividend payment by railways is, however, expected to lower due to the recommendations of the Railway Conventi Committee mentioned in para. 8.

Contribution of Railways

7. At 1968-69 rates of fares and freight charges, the railways are expected to make a negative contribution of about Rs. 41 crores towards Plan resources in 1972-73. The railways have, however, made a substantial effort towards augmenting their revenue through revisions in fares and freight charges. The total yield in 1972-73 from such revisions is estimated at Rs. 87 crores; this has been taken into account under additional resource mobilisation.

8. It may be noted that the recommendations of the Railway Convention Commitee regarding certain exemptions in respect of dividend payments to the Centre and the rate of interest payable on the balances held in Railway Funds are expected to provide relief to the railways to the extent of about Rs. 22 crores in 1972-73. But for this relief, the railways' contribution to Plan resources in 1972-73 at 1968-69 rates of fares and freight charges would have shown a deterioration of Rs. 28 crores as compared to the original estimate for 1971-72. Althorugh the railway revenues in 1972-73 at 1968-69 rates of fares and freight charges are expected to show a sizeable increase over the preceding year's level, this would be more than counter balanced by the increase in operating expenses as a result of the anticipated increase in traffic, cost of the additional interim relief granted to railway employees with effect from October 1, 1971, increases in certain other allowances for employees, increase in current replacement expenditure and normal increase in the liability for dividend payments to the Centre (i.e., without taking into account the relief accruing as a result of the Railway Convention Commitee's recommendations).

Contribution of Posts and Telegraphs

9. The contribution of Posts and Telegraphs in 1972-73 at 1968-69 rates of postal charges is estimated at about Rs. 56 crores as against the original estimate of Rs. 42 crores for 1971-72. The increase in the contribution is explained by the normal

growth of revenue, partially offset by increase in working expenses and reduction in receipts by way of advance rentals under Own Your Telephone scheme.

Contribution of IDC, ARC, REC, DVC and Central Power Generation Units

10. The resources of these undertakings in 1972-73 are estimated at Rs. 76 crores. The increase over the contribution taken in the Annual Plan for 1971-72 is explained mainly by the anticipated increase in the resources of the Indian Dairy Corporation and the Rural Electrification Corporation.

Contribution of Public Enterprises

11. The contribution of other enterprises of the Central Government in 1972-73 has been taken at Rs. 138 crores as against the original estimate of Rs. 111 crores for 1971-72. This takes into account the anticipated increase in the production of public enterprises as also the improvement in their operational efficiency as a result of the various measures adopted for this purpose.

12. The contribution of State Governments' enterprises at 1968-69 rates of electricity charges and bus fares is also expected to show an increase over the 1971-72 level, due mainly to larger generation and sales of power. Credit for the yield from the revision of electricity tariffs and bus fares has been taken under additional resource mobilisation.

Retained Profits of Reserve Bank

13. The contribution of the Reserve Bank out of its retaine profits in 1972-73 towards the financing of the programmes o agricultural and industrial development included in the Plan i estimated at Rs. 89 crores. Of this, Rs. 14 crores are expecte to represent loans to State Governments for participation i the share capital of cooperatives.

Loans from Public by the Central and State Governments

14. The orignal estimates for 1971-72 included net market borrowing but the Central and State Governments at Rs. 268 crores. However, in view of the excellent progress made by the nationalised banks in deposit mobilisation and faster growth of investible resources of the Life Insurance Corporation and the Employees' Provident Fund, such borrowing amounted to as much as Rs. 394 crores in this year. For 1972-73, the net market borrowing of the Central and State Governments has been taken, in the light of the anticipated absorption capacity of the market for Government and semi-Government securities, at Rs. 324 crores—Rs. 215 crores by the Centre and Rs. 109 crores by the States. It may, however, be mentioned that in the case of some States, the distribution of market borrowings taken at this stage between the State Governments and State Electricity Boards is provisional and subject to alteration in consultation with the Reserve Bank.

Borrowings by Food Corporation and Financial Institutions

15. Borrowings by the Food Corporation of India from the banking system for addition to buffer stocks of foodgrains in 1972-73 have been taken at Rs. 95 crores. Besides, the financial institutions are expected to borrow Rs. 37 crores from the market.

Small Savings

16. Small savings in 1971-72 are ejpected to be higher than originally anticipated for that year. In the light of this, the estimate of small savings for 1972-73 has been taken at Rs. 230 crores. Of this, Rs. 150 crores would represent the States' share, while the balance would accrue to the Centre.

Annuity Deposits. Compulsory Deposits, Prize Bonds and Gold Bonds

17. This item is expected to involve a net outgo of Rs. 16 crores in 1972-73.

State Provident Funds

18. Allowing for normal growth, the net accretion to State Provident Funds in 1972-73 is estimated at Rs. 99 crores for the Centre and at Rs. 68 crores for the States, or a total of Rs. 167 crores.

Miscellaneous Capital Receipts

19. Net miscellaneous capital receipts in 19972-73 are estimated at Rs. 391 crores as against the estimate of Rs. 478 crores taken in the Annual Plan for 1971-72. While the net outflow under miscellaneous capital receipts in the States in 1972-73 is expected to be somewhat lower than the original estimate for 1971-72, net receipts at the Centre are expected to fall short of the original estimate for 1971-72 by as much as Rs. 114 crores. This is due mainly to the provision made for loans to Bangla Desh and smaller inflow under deposits and funds.

Additional Resource Mobilisation

20. The additional resource mobilisation undertaken by the Centre in the first three years of the Fourth Plan, exclusive of the special levies imposed for meeting the expenditure on relief of evacuees from Bangla Desh, is expected to yield, net of States' share, about Rs. 780 crores in 1971-72. Of this, as much as Rs. 410 crores represents the yield from the measures adopted in 1971-72. If the States' share and the yield from the special levies for evacuees' relief is also taken into account, the total yield in 1972-73 from the measures adopted by the Centre in 1971-72 would amount to over Rs. 500 crores. This order of effort at fresh resource mobilisation in the course of a single year is unprecedented.

21. Even excluding the effect of special levies for evacuees' relief, the aggregate yield over the Fourth Plan period from the additional resources mobilisation undertaken by the Centre in

the first three years of the Fourth Plan would amount to more than Rs. 2,600 crores (net of States' share) as against the original Plan target of Rs. 2,100 crores for the entire five-year period. Nevertheless, in view of the need for accelerating the tempo of development, the Centre has announced further measures in the budget for 1972-73 which are expected to yield, net of States' share, about Rs. 150 crores in 1972-73, as shown in Table 2.

TABLE 2 : *Additional Resource Mobilisation by the Centre in* 1972-73

(Rs. crores)

0	1	2
1	Union excise duties	144·7
2	Customs	22·0
3	Income tax	3·0
4	Corporation tax	13·5
5	Changes in railway fares and freight[1] charges	17·0
	TOTAL	200·2
6	*Deduct* : States' share	50·1
7	*Net receipts of Centre*	150·1

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[1] The full year's yield from changes in railway fares and freight charges is estimated at Rs. 17.7 crores.

22. The measures adopted by the States in the first three years of the Fourth Plan for raising additional resources are expected to yield, exclusive of receipts from the special levies imposed for relief of evacuees from Bangla Desh, Rs. 217 crores in 1972-73. Besides, they have agreed to undertake fresh resources mobilisation of Rs. 88 crores for financing the Plan in 1972-73. A noteworthy feature is that even those States, which have already adopted in the first three years of the Plan measures for realising fully or even exceeding the targets fixed for them for the Plan period as a whole, have agreed to undertake fresh resource mobilisation in 1972-73 in order to augment the availability of resources for their Plans.

Negotiated Loans and State Enterprises' Market Borrowings

23. Loans from the LIC for housing and water supply schemes in 1972-73 have been taken at Rs. 28 crores, or nearly the same level as for 1971-72. The provision made for borrowings of State enterprises from the market and LIC in 1972-73 is, however, substantially larger than that for 1971-72.

Budgetary Receipts Corresponding to External Assistance

24. The budgetary receipts corresponding to external assistance (excluding aid for relief of evacuees from Bangla Desh) are expected to show a decline of about Rs. 81 crores in 1972-73 as compared to the original estimate for 1971-72.

Deficit Financing

25. The Annual Plan for 1971-72 envisaged deficit financing or Rs. 233 crores. During the course of the year, however, the Government had to incur substantial additional expenditure on relief to evacuees from Bangla Desh; defence, assistance to Bangla Desh, natural calamities, etc. A large part of this additional expenditure was met by the special levies imposed for evacuees' relief, fresh taxation undertaken in December, 1971, economies in expenditure, larger market borrowings and other efforts at increasing receipts from budgetary sources. Even so, deficit financing by the Centre of a higher order became necessary and is estimated to be Rs. 385 crores. Besides, certain States continued to resort to overdrafts for meeting additional Plan and non-Plan expenditure. The total deficit financing by the Centre and the States in 1971-72 is, therefore, estimated at over Rs. 500 crores.

26. Discussions were held with the States which have run into overdrafts with the Reserve Bank. As a result of these discussions, the States agreed to effect economies in expenditure

and adopt other measures in order to limit their overdrafts in 1971-72 to the extent possible. All States, except Maharashtra, would repay in 1972-73, 15 per cent of their outstanding overdraft at the end of 1971-72 as determined in discussions with the Central Government whereas Maharashtra would repay a part of its overdraft in 1972-73 and the balance in 1973-74. A specific scheme for avoidance of overdrafts in 1972-73 is proposed to be implemented. The total repayment of overdrafts by the States in that year is estimated at about Rs. 67 crores.

27. Deficit financing by the Centre in 1972-73 has been taken at Rs. 242 crores. Taking into account the surplus of Rs. 67 crores which certain States would have to achieve in order to repay a part of their overdrafts outstanding at the end of 1971-72, the net deficit financing in 1972-73 has been taken at Rs. 175 crores. This is substantially lower than the order of deficit financing in the preceding two years.

Assistance for State Plans

28. The Central assistance allocated for State Plans for 1972-73 is about Rs. 719 crores.

ANNEXURE I

Estimates of Resources for the Plan—Centre and States

(Rs crores)

Sl. no.		Fourth Plan Estimates (Original)			Fourth Plan Estimates (as indicated in Mid-term Appraisal document)			1969-70[1] Actuals		
		Centre	States	Total	Centre	States	Total	Centre	States	Total
0	1	2	3	4	5	6	7	8	9	10
1	*Domestic Budgetary resources other than negotiated loans from the LIC and State enterprises market borrowings* :	**7232**	**1502**	**8734**	**5858**	**1823**	**7681**	**907**	**343**	**1250**
2	Balance from current revenues at 1968-69 rates of taxation . .	1625	48	1673	696	106	802	258	—100	158
3	Contribution of public enterprises at 1968-69 fares, freights and tariffs :									
4	Railways	265	..	265	—118	..	—118	27	..	27
5	Posts and Telegraphs . .	225	..	225	236	..	236	40	..	40
6	IDC, ARC, REC, DVC and Central Power generation units	250	..	250	219	..	219	17	..	17
7	Others	785	495	1280	500	334	834	75	94	169

ANNEXURE 1—contd.

(Rs. crores)

Sl. no.		1970-71 (Latest Estimates)[1]			1971-72 (Annual Plan Estimates)[2]			1972-73 (Annual Plan Estimates)[3]		
		Centre	States	Total	Centre	States	Total	Centre	States	Total
0	1	11	12	13	14	15	16	17	18	19
1	*Domestic budgetary resources, other than negotiated loans from the LIC and State enterprises' market borrowings* :	1034	285	1319	1252	341	1593	1538	456	1994
2	Balance from current revenues at 1968-69 rates of taxation . .	198	—41	157	44	138	182	215	166	381
3	Contribution of public enterprises at 1968-69 fares, freights and tariffs :									
4	Railways	—19	..	—19	—35	..	—35	—41	..	—41
5	Posts and Telegraphs . .	36	..	36	42	..	42	56	..	56
6	IDC, ARC, REC, DVC and Central Power Generation Units	33	..	33	55	..	55	76	..	76
7	Others	70	74	144	111	60	171	138	67	205

ANNEXURE I—contd.

0	1	2	3	4	5	6	7	8	9	10
8	Retained profits of Reserve Bank	165	374	202	220	494	269	2	64	8
9	Market borrowings of Central and State Governments (net)	900	515	1415	1000	575	1575	128	83	211
10	Borrowings by FCI and financial institutions :									
11	Food Corporation of India	155	..	155	155	..	155	..	..	..
12	Financial institutions	250	..	250	250	..	250	22	..	22
13	Small savings	274	495	769	363	637	1000	54	75	129
14	Annuity deposits, compulsory deposits prize bonds and gold bonds	—104	..	—104	—98	..	—98	—34	..	—34
15	State provident funds	343	317	660	439	343	782	80	76	156
16	Miscellaneous capital receipts (net)	2090	—405	1685	1996	—221	1775	238	109	347
17	*Additional resources mobilisation*	**2100**	**1098**	**3198**	**2630**	**1098**	**3728**	**139**	**52**	**191**
18	By Centres:	2100	..	2100	2630	..	2630	139	..	139
19	1969-70 measures	725	..	725	760	..	760	129	..	129
20	1970-71 measures	..	..	..	800	..	800	10	..	10

0	1	11	12	13	14	15	16	17	18	19
8	Retained profits of Reserve Bank .	34	13[4]	47	50	10[4]	60	75	14[4]	89
9	Market borrowings of Central and State Governments (net) . .	186	99	285	168	100	268	215	109	324
10	Borrowings by FCI and financial institutions									
11	Food Corporation of India .	116	..	116	19	..	19	95	..	95
12	Financial institutions . .	14	..	14	39	..	39	37	..	37
13	Small savings	89	102	191	64	116	180	80	150	230
14	Annuity deposits, compulsory deposits, prize bonds and gold bonds	—18	..	—18	—17	..	—17	—16	..	—16
15	State provident funds . .	83	61	144	89	62	151	99	68	167
16	Miscellaneous capital receipts (net)	212	—23	189	623	—145	478	509	—118	391
17	*Additional resource mobilisation*	309	120	429	544	181	725	330	305	1235
18	By Centress :	309	..	309	544	..	544	930	..	939
19	1969-70 measures . .	141	..	141	150	..	150	160	..	160
20	1970-71 measures . .	168	..	168	197	..	197	210	..	210

ANNEXURE I—*contd.*

0	1	2	3	4	5	6	7	8	9	10
21	1971-72 measures . .	1375	..	1375						
22	1972-73 measures . .				770	..	770	..	..	..
23	1973-74 measures . .				300	..	300	..	..	..
24	By States : . .	..	1098	1098	..	1098	1098	..	52	52
25	1969-70 measures . .	..	414	414	..	450	450	..	52	52
26	1970-71 measures . .		684	684	..	185	185	..	..	..
27	1971-72 measures . .				..	142	142	..	..	..
28	1972-73 measures . .							..	..	..
29	1973-74 measures . .				..	321	321	..	..	..

0	1	11	12	13	14	15	16	17	18	19
21	1971-72 measures . .	..	..	..	197	..	197	410	..	410
22	1972-73 measures . .	..	..	..	..	..	..	150	..	150
23	1973-74 measures . .	..	..	..	..	..	..	..	..	..
24	By States : . .	..	120	120	..	181	181	..	305	305
25	1969-70 measures . .	..	87	87	..	94	94	..	101	101
26	1970-71 measures . .	—	33	33	..	58	58	..	52	52
27	1971-72 measures . .	..	..	..	..	29	29	..	64	64
28	1972-73 measures . .	—	..	..	..	..	..	..	88	88
29	1973-74 measures . .	..	..	..	..	..	..	..	..	..

ANNEXURE 1—*contd.*

0	1	2	3	4	5	6	7	8	9	10
30	*Loans from LIC and State enterprises' market borrowing (gross)*	..	506	506	..	746	746	..	126	126
31	LIC loans to State Governments for housing and water supply	..	100	100	..	126	126	—	18	18
32	Market borrowings of State enterprises.	..	258	258	..	400	400	..	75	75
33	LIC loans to State enterprises	..	148	148	..	220	220	..	33	33
34	*Total Domestic budgetary resources*	9332	3106	12438	8488	3667	12155	1046	521	1567
35	*Budgetary receipts corresponding to external assistance (net)*	2614	..	2614	2540	..	2540	574	..	574
36	Other than PL 480	2234	..	2234	1980	..	1980	356	..	356
37	PL 480 assistance	380	..	380	560	..	560	218	..	218
38	Deficit financing	850	..	850	1100	103	1203	89	—31	58
39	*Aggregate resources*	12796	3106	15902	12128	3770	15898	1709	490	2199
40	*Assistance for State Plans*	—3500	3500	..	—3567	3567	..	—606	606	..
41	*Resources for the Plan*	9296	6606	15902	8561	7337	15898	1103	1096	2199

0	1	11	12	13	14	15	16	17	18	19
30	*Loans from LIC and State enterprises, market borrowings (gross)*	..	133	133	..	146	146	..	189	18
31	LIC loans to State Governments for housing and water supply .	..	20	20	..	29	29	..	28	28
32	Market borrowings of State enterprises	..	68	68	..	80	80	..	113	113
33	LIC loans to State enterprises .	..	45	45	..	37	37	..	48	48
34	*Total domestic budgetary resources* .	1343	538	1881	1796	668	2464	2468	950	3418
35	*Budgetary receipts corresponbing to external assistance (net)*[6]	547	..	547	461	..	461	380	..	380
36	Other than PL 480 . .	425	..	425	349	..	349	384	..	384
37	PL 480 assistance . .	120	..	120	112	..	112	—4	..	—4
38	*Deficit financing* . . .	231	135	365	233	..	233	242	—67	175
39	*Aggregate resources* . . .	2121	672	2793	2490	668	3158	3090	883	3973
40	*Assistance for State Plans* .	—628	628	..	—720	720[7]	..	—719	719[7]	..
41	*Resources for the Plan* . .	1493	1300	2793	1770	1388	3158	2371	1602	3973

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[1] As given in the Mid-term Appraisal of the Fourth Plan. As mentioned in Chapter 2, the actual Plan outlay in 1970-71 is now anticipated at about Rs. 2642 crores as against the estimate of Rs. 2793 crores indicated in the Mid-Term Appraisal document.

As prepared at the time of the formulation of the Annual Plan for 1971-72.

The estimates for the Centre represent Budget Estimates while those for the States are based on the discussions held with them during August, 1971—January, 1972.

[4] Reserve Bank loans to State Governments for participation in the share capital of cooperatives.

Net of States' share.

Net of loan repayments only. Interest payments have been allowed for in calculating the balance from current revenues.

These figures include assistance for Himachal Pradesh, which became a State in January 1971, for 1971-74. Besides, the estimate for 1972-73 includes assistance for Manipur and Tripura which have recently become States.

CHAPTER 4

RURAL DEVELOPMENT AND EMPLOYMENT

Approach in the Annual Plan 1972-73

In the Annual Plan 1972-73, the thrust of effort in the programmes of rural development and employment will be mainly in two directions. The first direction will be to accelerate the pace and improve the quality of implementation of on-going special programmes such as Small Farmers Development Agency (SFDA) and Marginal Farmers and Agricultural Labour (MFAL) projects, pilot tribal development projects, crash scheme of rural employment and the drought prone area programme. Secondly, new initiatives will be taken towards integrated rural development in different land and water resource situation such (i) areas where canal irrigation has been rtcently introduced (ii) dry farming areas and (iii) hill areas. A new development visualized during 1972-73 is intensive rural employment projects in the nature of study-cum-action projects in 10 to 15 blocks as part of the crash scheme for rural employment.

SFDA and MFAL Projects

2. Efforts will be made to accelerate the implementation of 46 SFDA projects and 41 MFAL projects. Most of these projects were sanctioned during 1970-71 and are at present in different stages of operation. As against an anticipated expenditure of about Rs. 9 crores during 1971-72, the Annual Plan 1972-73 contains an allocation of Rs. 18 crores for these projects. This doubling of the allocation will be further stepped up if the speed of implementation justifies it.

3. Under these projects, the first task was to identify the beneficiaries, namely, the potentially viable small farmers, marginal farmers and agricultural labour. While, in more than half

the SFDA projects, the identification has been completed, further work still remain to be done in several SFDA and most of the MFAL projects. It is proposed to give priority attention to these aspects.

4. Alongside identification of beneficiaries the principal task in SFDA projects is to implement the programmes and schemes which will enable small farmers to have the requisite access to credit and material inputs and thereby share in the benefits of the new agricultural technology. Some progress in this direction has already been made. Out of about 12 lakh small farmers who have been identified, about 4.8 lakh farmers have been enrolled as members of credit cooperatives. There has also been some augmentation of the flow of production and investment credit in favour of this category of farmers. But the increase in credit is insignificant. Moreover, the increase in credit availability is confined to a few project areas. In the case of SFDA projects, which are located in districts where the cooperative credit system is basically weak or characterised by heavy overdues, the performance of SFDA projects have been particularly handicaped. One of the main tasks is to consider this problem on a project by project basis and small necessary arrangements for institutional credit.

5. MFAL projects have had a relatively slow start. Only about 5.4 lakh beneficiaries have been identified and a limited measures of progress recorded in the provision of credit for milch animals and ancillary facilities. It is proposed to attend to various bottlenecks and in particular, aim at a more direct involvement of MFAL agencies in the provision of marketing infrastructure such as chilling plants and feed-mixing plants.

Pilot Tribal Development Projects

6. Six projects have been set up in five tribal districts in Andhra Pradesh. Bihar, Madhya Pradesh and Orissa, with the object of accelerating economic development of tribals. A programme of development of communications is also proposed to

be taken up in 1972-73. A financial allocation of Rs. 2 crores has been made for this programme in the Annual Plan.

Drought Prone Area Programme

7. Rural works programmes for chronically drought affected areas were introduced as a non-Plan Centrally financed activity during the year 1970-71. Productive and labour intensive work are taken up in 54 drought prone districts with the objective of providing employment to local labour and creation of infrastructure for agricultural production with a view to mitigate the severity of scarcity conditions. During 1971-72, the tempo of the programmes has been substantially increased. It is contemplated that an actual expenditure of about Rs. 16 crores will be incurred in 1971-72 as against Rs. 6.5 crores in 1970-71.

8. Considering the developmental nature of the programme it has been decided to include it in the Central sector of the Plan from 1972-73 onwards. The scope of the programme will now be enlarged with a view to make the selected districts as immune from droughts as is physically and technologically feasible. So far the bulk of the expenditure was on road construction. Emphasis is henceforth proposed to be focussed on minor and madium irrigation, aforestation, etc. The underlying intention is to move in the direction of the area development of selected districts. To reflect this emphasis, the programme has been redesignated as the Drought Prone Area Programme. The Annual Plan 1972-73 contains a financial allocation of Rs. 20 crores for this programme.

Crash Scheme for Rural Employment

9. This scheme aims at providing employment to at least 1,000 of the most needy persons in rural areas in each district. Consistent with the objective of undertaking employment oriented and yet durable rural works, it has been stipulated that the

bulk of the district allocation usually Rs. 12.5 lakhs annually should be earmarked for the labour component of the cost of the work taken up under the scheme. The scheme was initiated in the budget of 1971-72. Till December 1971, proposals for works estimated at Rs. 40.5 crores had been drawn up and approved.

10. This scheme which was initially taken up on the non-Plan side, has now been included in the Central sector of the Plan. For the year 1972-73, the Annual Plan carries a provision of Rs. 50 crores. Besides a stepping-up in the volume of works executed, it is proposed to carry out a number of operational improvements in 1972-73. Certain innovations have already been made in the light of the experience gained. In the beginning, the rural works, executed under the scheme, were restricted to what might be called items of agricultural infra-structure. It has now been decided to widen the scope of works so as to include construction of new class-rooms for primary school buildings, rural housing for weaker sections of the village community and rural godowns. This should help to promote the development of rural infra-structure in a wider sense. Another significant move is to take up study-cum-action projects in about 10 to 15 CD blocks. These blocks will be selected in those States where the problem of rural employment is relatively more acute. The aim is to develop arrangements for gauging the availability of unskilled labour at different times of the year and to offer work opportunities matching the time profile of such unemployment. It is hoped that these projects will throw up experience which will be useful for the formulation of the Fifth Five Year Plan.

Integrated Rural Development

11. Besides accelerating and improving the on-going programmes, the main initiative will be in the direction of projects for integrated rural development. In this connection, the Commission has set up a Task Force with the following terms of

reference :

(i) To spell out the main elements of a board strategy of integrated rural development oriented towards more employment and a better production base in the Fifth Five-Year Plan;

(ii) To work out illustratively the pattern of technology investments, and institutions for rural development programmes apropriate to different agro-climatic conditions and levels of development;

(iii) To review in the light of (i) and (ii) above the ongoing special programmes for rural development and rural employment and to suggest ways for their modification and synthesis into an integrated programme of rural development.

12. There are two pre-eminent objectives which are implicit in the concept of integrated rural development. These are :

(i) In a defined rural areas, realisation of the fullest production potential must be attempted by mutually reenforcing measures connected with the development of local land and water resources and the provision of all complementary production inputs and organisational improvements;

(ii) The development promoted in the defined rural area should be as broad-based as possible so that the large mass of the rural people particularly the small farmers, marginal farmers, agricultural labourers and artisans are enabled to participate in development and share the benefits of such development.

13. There is at present a bewildering variety of programmes and schemes connected with different aspects of rural development and employment. While, in many ways, these programmes and schemes are intended to be complementary in

character, in practice they are often not coordinated in a given area in a proper time sequence. The developmental inter-action and coordination among these new schemes is inadequate. Various rural development programmes and schemes are still ad hoc in character and suffer from wide dispersal and fragmentation over different districts/areas. The result of this lack of a systmatic synthesis of various programmes is the overlapping of financial and organisational resources. Another consequence is the ineffectiveness of the impact of developmental effort. One of the principal objectives of the proposed integrated rural development projects will be to overcome these deficiencies.

14. For purpose of clarity, it is necessary to distinguish the concept of integrated rural development from the concept behind the Intensive Agricultural Development Programme. The latter programme was also conceived essentially as an intensive area development programme. However, it was focussed principally on providing to the farmer inputs and services external to the farm itself. Such inputs and services included extension advice, seed, fertiliser, pesticides, implements and machinery, credit marketing and storage. The IADP programme did not specially envisage, as an integral part of the programme itself, any 'reform' of land or reorganisation of the water resources, or diversification of investment activity to tackle the rural unemployment problem. The concept of integrated rural development goes much beyond the traditional concept of IADP. The objective is to re-fashion the productive apparatus of the rural economy of an area in terms of its land and water resources by undertaking measures such as consolidation of holdings, land shaping, re-alignment of water courses, construction or reorganisation of the drainage system and strengthen other activities which will be complementary to those programmes. This necessarily implies a concurrent programme of non-recurring capital investment and recurring access to inputs and know-how on the part of entire rural community included in the area taken up for integrated rural development.

15. It is also useful to distinguish the integrated rural development approach from the current SFDA|MFAL programmes. The latter programmes are no doubt area based. They, however, aim at improving the economy of the small and marginal farmers in a segmental manner. Hence, apart from other handicaps, these programmes operate under the limitation of a relatively stagnant rural economy in several of these projects. In some of these project areas, an effort towards optimum area development is a necessary condition for improving the economy of small and marginal farmers residing in the project area.

Integrated Rural Development in Areas newly brought under Canal Irrigation

16. Recently a few promising beginnings have been made in the direction of integrated rural development. In the Chambal command area in Rajasthan State, canal irrigation was introduced about ten years ago. In the absence of requisite measures for development of land, the potential bonefit of irrigation remained substantially unutilised. In the absence of proper drainage arrangements, problems of soil salinity and water logging have emerged. In this background, an UNDP aided project for land and water development was initiated in Kota district. The project authorities, after necessary investigation and studies, took up a project for integrated development of land and water resources of a compact area in village Digod in Kota district. The aspects which were simultaneously covered by the project, were the following:

(i) Consolidation of holdings;

(ii) Land levelling;

(iii) Provision of drainage;

(iv) Training and cleaning of nallahs;

(v) Re-alignment and lining of water courses;

(vi) Provision of structures on field water courses, irrigation canals and drainage ditches.

17. Since the above project was conceived as a demonstration, it was financed entirely by Government funds. However, as a result of the success of the demonstration, the concept behind the project began to catch the fancy of farmers. Recently a group of farmers have volunteered to come forward and obtain loans from Government and finance a similar development of their land and water resources in an integrated manner. This recent project which is of obious significance, is located in Sunwasa village in Kota district, Nineteen farmers whose lands embrace the entire command area of an irrigation outlet from a minor distributory are the beneficiaries of this project. The total area covered is 72 acres. On an average, each farmer has taken a loan of about Rs. 1,500 per acre which is to be repaid in a period of 7-10 years. With the significant improvement in the production appartus at the disposal of the concerned farmers, they are quite confident of repaying the loan out of their increased income. It may also be added that as a result of reorganisation and realignment of field boundaries, fields roads, water channels and drains, an area of about 5-10 per cent has been saved and added to the total cropped area.

18. The message behind this project appears to have registered. As a result, there is a growing demand in the Rajasthan part of Chambal command as well as in the Madhya Pradesh part of Chambal command for such reorganisation of land and water resources in an integrated manner. The State authorities of Rajasthan have negotiated a subtantial loan of over Rs. 7.2 crores from six commercial banks. This would enable covering an area of about 45,000 acres for this kind of integrated treatment of soil and water. Concurrently, the authorities are also visualising intensification of extension effort and the arrangements for supply of credit, inputs etc., with a view to exploit the improved production potention of the land and water available in the concerned areas.

19. While there are immense possibilities for the above type of integrated rural development in several other parts of the

country, it is necessary to make a careful and selective beginning. The approach is that, to begin with, one district or part thereof may be chosen for integrated rural development in each of the States which fall within the command of newly established major irrigation projects.

20. The choice of the district for integrated rural development will have to be made in such a manner that it satisfies at least the following minimum norms :

(i) The district is characterised by significant lack of optimum utilisation of available water resources on account of absence of land shaping, land levelling etc., or the area of the district is affected by problems of soil salinity emerging from the absence of proper drainage.

(ii) In regard to irrigation works, proper, there are no engineering bottlenecks.

(iii) The district commands minimum agricultural infrastructure in the form of rural roads etc.

(iv) An SFDA or MFAL project is located in the district.

21. In each of the selected districts, command areas of a number of distributories/minors should be identified and taken up for integrated rural development. Each of these areas may be mapped out by deploying the staff under the Central Sector scheme for rural engineering surveys. The mapping out should cover both contour mapping and soil survey. Thereafter, each command area of a distributory may be simultaneously brought within the purview of the following measures for treatment and reorganisation of land and water resources :

(i) Consolidation of holdings;

(ii) Land levelling and land shaping;

(iii) Re-alignment and lining of water courses;

(iv) Training and cleaning of Nallahs;

(v) provision of drainage of ditches;

(vi) provision of supplementary irrigation facilities from ground water sources.

22. The cost of the above operations may be met in the following manner :

(i) Technical and survey staff may be financed wholly by Government;

(ii) There are certain items such as main drainage ditches and training of nallahs whose cost may be met by Government;

(iii) For other items, particularly for land levelling on land allocated to farmer as a result of consolidation and for field water courses and drains, the farmer should be financed by way of long-term credit facilities from institutional sources; and

(iv) The programme of suitable rural works under the Crash Scheme for Rural Employment may be adjusted wherever possible so as to operate within the command areas taken up for integrated rural development and, to that extent, part of the expenditure may be met from out of the funds provided under the scheme.

29. It will be the objective to take up, in the selected districts, a growing cluster of commands for this sort of intensive and integrated treatment of land and water resources. It would be desirable if, in the first year of the programme, something like 10,000 acres in different commands of distributories/minors can be brought within the purview of the programme. As the effect of demonstration spreads, more areas can be taken up, so

that, in a period of about three years or so, a sizeable proportion of the cropped area of the district can be brought within this type of treatment of land and water.

24. Alongwith the above mentioned effort directed towards land and water development in the selected district, it will be necessary to energise the on-going programmes concerned with development of small farmers, marginal farmers etc. and also the programmes concerned with development of agricultural infra-structure, supply of inputs, credit etc.

25. Careful thought will have to be given to the organisational set-up necessary for the programme of integrated rural development. While certain segments of the programme such as SFDA/MFAL may continue to be operated through existing agencies etc., it will be desirable that the overall charge of the programme is given to the Commissioner of the command area development who should have a multi-disciplinary team assisting him in this regard. The command area Commissioner will also have to be given assistance by specialised agencies such as agro-industries corporation in the execution of programmes concerning land development etc. He will also have to draw upon the staff of revenue department for consolidation of holdings and other connected activities. Similarly, the Staff under the Central scheme concerning rural engineering and soil survey for the area concerned will have to be placed at the disposal of the command area Commissioner.

26. It is envisaged that, in the remaining period of the Fourth Five-year Plan, in the ten districts to be selected on the lines indicated above, a programme of integrated rural development will be taken up. As a result of the experience gained, a more ambitious programme of integrated rural development will be conceived and incorporated in the Fifth Five-year Plan.

Approach towards Integrated Development of Hill Areas

27. In recent years, some experience has been gained in the development of certain selected hill areas. The most interesting experiment in this regard has been the Indo-German project at Mandi (Himachal Pradesh). This project was started in 1962 and has been in operation for the last eight years or so. The project had a very well defined strategy. The first objective which the project had set before itself was improving the existing agriculture. Once it had been amply demonstrated that increased production was practicable, focus was shifted towards rationalising the type of agricultural production based on the ecological zones of the Mandia region. For example, the plain areas were earmarked for production of foodgrains. Low hills were to be developed for livestock production at the middle and higher hills, upto an altitude of 9,000 feet, horticultural development was to be encouraged. The methods by which these objectives were to be achieved were clearly delineated in the following order of importance :

(a) Activation of the agricultural extension service;

(b) Introduction of improved technology;

(b) Introduction of improved technology;

(c) Improvement of infra-structure and services for agriculture.

28. The experience of Mandi project shows that a carefully designed strategy involving institutional and technological elements can make a very distinct impact on the economy of the area. During 1972-73, it is proposed to take up similar projects in two other areas, namely, Pauri Garhwal and Manipur.

Approach towards Integrated Development in Dry Areas

29. There has so far been very little experience available of integrated rural development in dry farming areas. A number of discrete programmes, *e.g.*, pilot projects on dry farming, rural

works in drought prone areas have been taken up in different districts in India. Some of the programmes such as the pilot projects on dry farming have yet to get off the ground.

30. There are a few districts such as Bijapur where a number of these special programmes such as drought prone area programmes, SFDA and MFAL are simultaneously operating. It will be necessary to consider how far and in what manner these programmes can be integrated. However, a pre-condition appears to be the evolution and testing of the new dry farming technology based on drought escaping varieties and agronomic practices suited to conditions of limited moisture availability. During 1972-73, stress will be laid on improving the implementation of pilot projects on dray farming.

31. In the dry regions of the country for which stream flow irrigation does not seem possible, development of other sources of surface irrigation and prospecting for underground water should be accorded the highest priority. Consolidation of holdings in dry regions will have a different complement of works to go with it. Contour bunding of an entire village's land for soil and moisture conservation, provision of drinking water facilities, creation of conditions for the acceptance of more rational land use patterns (through, for instance, the setting aside of a portion of village land for common pasture) and construction of storage facilities. To begin with, a small group of villages in the relatively dry districts will be selected. After gaining requisite experience, an expansion of the programme will be worked out.

CHAPTER 5

SPECIAL EMPLOYMENT SCHEMES

The problem of unemployment of the educated attracted the special attention of the Government with the increasing unemployment of engineers noticed in 1966-67 in the wake of the slowing down in the tempo of the economy about that period. Various measures such as acceleration of investigation, survey and other preparatory work relating to irrigation, power and flood control projects to be taken up under the Plan, the expansion of practical training programmes of engineers to enable them to acquire training in industries and grant of financial assistance and other facilities to engineers for setting up small scale industries were devised by Government in 1968 with a view to relieving unemployment among engineers. There is need for programmes to generate increasing job avenues for all sections of educated unemployed, including engineers and other technical personnel, post-graduates and agricultural graduates.

2. A provision of Rs. 25 crores was made in the Budget for 1971-72 to meet the problem of the educated unemployed. In pursuance of the suggestions made by the Planning Commission, the Central Ministries formulated programmes for the benefit of the educated unemployed during 1971-72. The Planning Commission recommended schemes involving an outlay of Rs. 13 crores for 1971-72 and Rs. 25 crores each during 1972-73 and 1973-74 for the continuation of these schemes. Some of the schemes are of a nature which would be implemented by State Governments on the basis of the expenditure being met by the Centre while some others would be directly administered by the Centre.

Quality of Primary Education

3. During 1971-72, the Government provided to States and Union Territories Rs. 4.4 crores for the appointment of 30,000 elementary school teachers for a period of four months. Two-thirds of the teachers were sanctioned to seven educationally backward States Rajasthan, Madhya Pradesh, Bihar, Assam, Orissa, West Bengal and Uttar Pradesh and to one educationally backward Union Territory, Arunachal Pradesh, in the proportion of the non-attenting children in the age group 5-14 in these areas. The remaining were distributed among all the States and Union Territories in the proportion of unemployed persons with matriculation and higher qualifications.

4. Funds were also provided for :

(a) appointment of 240 assistant inspectors of schools;

(b) distribution of free text-books to 9 lakhs children;

(c) mid-day meals to 8.6 lakhs children and also to children in the border States and Union Territories not covered under CARE programmes; and

(d) introduction of work experience in 1,000 middle schools.

5. The scheme will be continued in 1972-73 with an outlay of Rs. 12 crores. Expension of the scheme to provide for additional 30,000 teachers and a larger programme for the building of class-rooms for primary schools at additional cost of Rs. 18 crores will also be taken up.

Rural Engineering

6. The scheme envisages undertaking surveys on engineering and agricultural aspects of villages. This will entail collection of data and preparation of maps for formulation of full-fledged schemes for providing amenities like irrigation, electricity, drinking water and roads and for improvement of land

water use, including soil conservation and land shaping. Initially, the surveys will be conducted, in districts where there are already in operation schemes like the Rural Works Programme, for chronically drought affected areas, or Crash Programme for Rural Employment. This selective approach will ensure that the results of the survey will be utilised to bring forth immediate benefits. The programme envisages setting up of 200 survey parties in 1971-72 and 350 in 1972-73. Each survey party will comprise engineering and agricultural graduates. A total of 550 survey parties with complementary supervisory personnel covering 17 States is expected to be in position from 1973-74.

7. A sum of Rs. 53 lakhs has been sanctioned for this scheme during 1971-72. The scheme will be implemented by the States. The employment potential of the scheme in a full year is estimated at 5631 persons comprising 1100 engineering graduates, 550 agricultural graduates, 68 engineering officers, 93 soil conservation and agricultural officers, 1070 technicians and ministerial staff and 2750 unskilled labourers.

8. The Ministry of Irrigation and Power has set up a Committee of Direction in which representatives of the concerned Ministries and the Planning Commission are included. The Committee will watch the progress of the scheme and advise on periodic appraisals and evaluation. As outlay of Rs. 286 lakhs has been proposed for the scheme for 1972-73.

Agro-Service Centres

9. The scheme aims at providing employment opportunities for engineering degree holders, diploma holders, agricultural graduates and other technical personnel through a programme of agro-service centres. It would provide, in addition to custom hiring and service facilities, integrated services and supplies depending on the local needs. The scheme envisages setting up of 2,500 agro-service centres during 1971-72. Each centre on an average would provide employment to ten persons—5 technical and 5 skilled and semi-skilled. The overall employment potential of the scheme would be about 25,000 persons.

10. For the year 1971-72, a provision of Rs. 18.62 lakhs has been made for grants-in-aid to State Agro-Industries Corporations of Uttar Pradesh, Bihar, Haryana, Punjab, Andhra Pradesh, Tamil Nadu and Mysore for setting up of agro-service centres. The remaining seven State Agro-Industries Corporations would be provided with grants-in-aid during 1972-73 for which a provision of Rs. 75.91 lakhs has been proposed.

Consumer Cooperatives

11. The scheme has been formulated by the Department of Co-operation to generate additional employment opportunities for the educated unemployed through expansion and development of selected consumer cooperatives having a growth potential. Institutions which would be eligible for assistance under the scheme include wholesales central stores and cooperative department stores which have a good potential for growth so that they might have a beneficial influence on the consumer cooperative movement in the State concerned and in the country as a whole. Under the scheme, assistance is proposed to be provided for the development of about 40 existing wholesale central consumer cooperative stores including department stores, and for the establishment of about an equal number of new retail outlets during the Fourth Plan period.

12. A provision of Rs. 15 lakhs was made for this programme during 1971-72. It has been stepped up to Rs. 50 lakhs in 1972-73.

Small Entrepreneurs

13. The Ministry of Industry Development has formulated six different schemes to provide employment opportunities to the educated unemployed, including technically qualified persons. The scheme envisage provision of 'seed' or 'margin' capital on loans to be advanced by approved financial institutions, establishment of 'commercial estates', supply of indigenous

machines on hire-purchase terms, provision of equity (or preference) capital to private and public limited companies of technicians, provision of financial and other assistance to cooperative of technicians and establishment of industrial estates. Except for the last three schemes which are to assist technically qualified persons, the others are for assisting those who have passed at least the secondary school or an equivalent examination.

14. The schemes are to be implemented through State Governments and administrations of Union Territories, who may designate a suitable agency for their execution, and may also modify the schemes in conformity with similar schemes already being implemented by them. A total outlay of Rs. 6.5 crores has been allocated. The funds alloted will be re-imbursed at the end of the financial year on the basis of the expenditure to be actually incurred on the schemes by States and Union Territories. It is proposed to make a provision of Rs. 6.5 crores for continuation of the schemes in 1972-73.

Road Projects

15. The scheme envisages surveys, investigations, and project preparation relating to the removal of deficiencies in the existing national highways system and other central sector road projects to be considered for inclusion in the Fifth Plan. The programme, apart from creating additional employment opportunities for technical personnel, would facilitate the completion of fully investigated projects really for being considered for sanction during the Fifth Plan. The scheme is expected to provide employment to 134 graduate engineers 30 diploma holders, 160 technicians and 500 semi-skilled and unskilled workers. A provision of Rs. 30 lakhs has been made for this programme during 1971-72 for undertaking necessary surveys in different States. A provision of Rs. 90 lakhs is envisaged in 1972-73.

Rural Water Supply

16. The proposal envisages creation of twenty five planning and design units for the preparation of rural water supply schemes in the States. It is proposed to give this financial assistance as 100 per cent grant to the State Governments for the preparation of detailed plans and estimates of rural water supply schemes in areas having permanent dis-advantages. These schemes would be implemented in the Fifth Plan and partly, if possible, in the remaining period of the Fourth Plan. They will utilise the data collected by the special investigation divisions functioning in the various States under a Centrally sponsored scheme.

17. The total number of schemes proposed to be prepared by the units would be about 1100 regional piped water supply and a large number of individual schemes covering about 14,000 villages. This would create job opportunities for 107 engineers and 420 other categories of educated classes. A provision of Rs. 22 lakhs has been made for 1971-72 and a provision of Rs. 43 lakhs is proposed for 1972-73.

Training and Interest Subsidy Schemes

18. In addition to the programmes and schemes referred to earlier, a scheme for training courses in industrial entrepreneurship for technically qualified persons is being operated by the Ministry of Industrial Development. The main objective of the scheme is to assist engineering entrepreneurs in setting up small scale industries. The scheme envisages training for a period of three months at the Small Industries Service Institutes and other instiutions like the Proto-type Training and Production Centres, Indian Institutes of Technology, and the Small Industries Extension Training Institute. About 1,800 persons have been trained so far and over 900 are under training. About 6,000 persons are expected to be trained during the Fourth Plan

period. Another scheme for subsidising the rate of interest on loans to be advanced by financial instiutions to these persons on completion of their training is under consideration. Against the Fourth Plan provision of Rs. 3 crores for these two schemes, an expenditure of about Rs. 9.5 lakhs was incurred in 1970-71. The revised estimate for 1971-72 is Rs. 30 lakhs for the training scheme and Rs. 10 lakhs for the interest subsidy scheme; provisions of Rs. 50 lakhs and Rs. 30 lakhs have been made for these two schemes respectively for 1972-73.

19. An allocation of Rs. 60 crores is envisaged in 1972-73 for special employment schemes. Of this, about Rs. 13 crores will be required for the continuing programmes for educated unemployed introduced in 1971-72. Thus about Rs. 47 crores would be available for the formulation of special employment schemes during the year. It is proposed to utilise part of this amount for generating employment and training opportunities for highly qualified personnel like engineers, technologists and scientists. These schemes would include stepping up of research and development effort, natural resources surveys on a national scale, strengthening of the technological base and personnel of public sector enterprises, evaluation of technology, both indigenous and imported etc. These will be in addition to the schemes described earlier. It is proposed to earmark the remaining amount for allocation to the different State Governments and Union Territories. The Expert Committee on Unemployment (Bhagawati Committee) has submitted its interim report. This report is at present being examined by an inter-ministerial group constituted by the Planning Commission with a view to assessing the organisational requirements both at the Central and the State levels for the implementation of schemes involving large-scale generation of employment. Simultaneously, the State Governments are also being requested to draw up special employment programmes on the basis of certain guidelines indicated to them by the Planning Commission. The understanding is

that the State Governments will raise additional resources to match the contribution made by the Centre in this regard.

20. The various employment schemes already being undertaken and those contemplated for 1972-73 are likely to benefit over 3.5 lakhs educated job-seekers.

CHAPTER 6

ELEMENTARY EDUCATION

The Constitution enjoins upon the State to provide facilities for free and compulsory education for all children upto the age of 14. Successive Five-Year Plans have, therefore, attached a high priority to the spread of elementary education. A great deal of effort, however, still remains to be made to achieve the goal of universal education. This is evident from the slow progress towards general literacy in the country as revealed by the 1971 census.

2. Coordinated action in three directions is needed to achieve universal elementary education. Net work of schools has to be established in all parts of the country so that a school is within easy reach of every child. Secondly, having set up a school, it is important to ensure that every child with its catchment area and belonging to the age-group 6—14 is enrolled in it. Lastly, steps must be taken to see that every child enrolled should continue his or her education for at least 4 to 5 years so that he or she does not relapse into illiteracy.

3. The Second All-India Educational Survey showed that in 1965-66 nearly 95 per cent of the rural population was well served with primary classes I—V and about 85 per cent with middle classes VI—VIII. Since the position has steadily improved it may be safely assumed that every rural child has a primary school within the walking distance of one mile. According to present norms, a middle school may be within a distance of three miles an dit may not always be convenient for children, particuarly for girls, to attend a middle school. Hence, there is need for opening more middle schools in the country.

4. At the commencement of the Fourth Plan, 55.49 million children—34.92 million boys and 20.57 million girls—were attending primary classes I—V. This was 77.3 per cent of the population in the age-group 6—11. About 95.2 per cent of the population of boys in this age group were in school, while in the case of girls, the corresponding percentage was 58.5. In the case of the age-group 11—14, 12.27 million pupils—8.76 million boys and 3.51 million girls—were attending classes VI—VIII. The over all percentage of enrolment was 32.3. It was 45.4 for boys and 18.8 for girls.

5. There is thus an urgent need to remove the disparity between the enrolment of boys and girls. There are equally glaring disparities in the enrolment rates in different States. While the overall enrolment in the age-group 6—11 was above 90 per cent in Kerala, Maharashtra, Nagaland and Tamil Nadu, the corresponding figure in Bihar, Madhya Pradesh and Rajasthan was below 60 per cent. In the age-group 11—14, the enrolment ranged from 20 per cent in Bihar to 69 per cent in Kerala. There are intera-State disparities too. Every State has a few educationally backward districts. Also, There are educationally backward communities, particularly the Scheduled Castes and the Scheduled Tribes.

6. The high rate of stagnation and wastage—out of 100 enrolled in class I only 40 continue their studies in class IV—is another malady which afflicts elementary education. This is partly due to socio-economic reasons and partly to the inefficiency of the educational system. While the economic handicap of children from poor homes can be removed to some extent by the provision of mid-day meals and free distribution of text books, the improvement in the efficiency of the educational system is much harder to achieve since it depends on a number of factors—raising the professional competence of teachers providing adequate school accommodation and equipment, improving curricula

text books, methods of teaching, etc. In the matter of quality improvement, much will depend on the efficiency of the administrative and inspecting agencies at the State, district and block levels.

7. Against this background, the Fourth Plan envisaged among others the following development :

(i) the enrolments in the age-group 6—11 and 11—14 will rise by about 13.8 million and 5.46 million respectively taking the percentages in schools to 85.3 and 41.3 respectively.

(ii) More girls and children of Scheduled Castes and Scheduled Tribes would be enrolled. Priority will be given to the provision of facilities in backward areas.

(iii) Imbalances within States regarding provision of educational facilities will be removed.

(iv) Deficiencies of buildings and equipment will be removed according to a phased programme.

8. The total outlay on education in the Fourth Plan is Rs. 824.24 crores. Of this, the outlay on elementary education is Rs. 234.74 crores. Only Rs. 6.73 crores of this is in the Central Plan and the remaining amount of Rs. 228.01 crores is in the States and Union Territories Plans. In order to safeguard against possible diversions to other sectors, the Planning Commission has earmarked outlays for elementary education in the Annual Plans of all the States and Union Territories.

9. The Mid-term Appraisal of the Fourth Plan brings to light the following features in the progress of the educational programme:

(i) While the anticipated expenditure on education in the first three years of the Plan was likely to be

44.9 per cent of the total outlay, in the case of elementary education, the corresponding percentage would be only 37.7.

(ii) While the over-all enrolment target of 13.80 million children in classes I—V may be achieved in the Fourth Plan, the enrolment of girls in these classes is likely to fall short of the target.

(iii) Considerable short-fall may occur in the enrolment in classes VI—VIII.

(iv) The progress of enrolment in States has been uneven and in a few States there have been significant shortfalls mainly because of insufficient financial allocations.

(v) There has been no increase in the coverage under the mid-day meals scheme.

(vi) Since the investment in elementary education has not been commensurate with the enrolment achieved, the teacher pupil-ratio is likely to have been affected adversely.

(vii) No appreciable progress has been made in constructing class rooms.

10. The Union Government decided to take steps to remove some of the glaring deficiencies revealed by the Mid-term Appraisal. The Centre will help to correct the imbalances which could not be set right by the efforts of State alone. Accordingly, a Central scheme was conceived under the programme for the educated unemployed in 1971-72. The salient features of this scheme are the following:

(i) Engagement of 30,000 teachers was sanctioned to the States and Union Territories outside the State Plan ceilings, weightage being given in the matter of allocation of teachers to the educationally backward

States and Union Territories and further to educationally backward districts. Seven States and one Union Territory have been identified as backward on the basis of the percentage of non-attending children in classes I—VIII to the population in the age-group 6-14, estimated for 1973-74. These are: Rajasthan, Madhya Pradesh, Bihar, Assam, Orissa, West Bengal, Uttar Pradesh and Arunachal Pradesh. Two-thirds of the additional teachers, sanctioned under the present scheme, have been allocated in the proportion of the non-attending children in these areas, while one-third of the additional teachers have been distributed among all the States and Union Territories in the proportion of unemployed persons with matriculation and higher qualifications.

(ii) Appointment of 240 assistant inspectors of schools was also sanctioned to supervise the work of the teachers sanctioned under the scheme. One assistant inspector has been allowed for 125 teachers. This will enable the assistant inspector not to exercise better supervision and mobilise greater cooperation of the community in enrolment drives and better attendance.

(iii) Sanction was given for the distribution of free text books to 9 lakh additional children who are expected to be enrolled under the scheme. Sanction was also given to provide free mid-day meals to 8.6 lakh children. In addition, provision was also made for mid-day meals in the border areas where the scheme has not been implemented so far. These two measures will serve as incentives for the children of Scheduled Castes, Scheduled Tribes and other weaker sections.

(iv) Sanction was given to the appointment of 1,000 teachers and the purchase of necessary equipment for introducing the programme of work experience in 1,000 middle schools. One of the reasons for the sorry plight of the educated unemployed is their ignorance of the common skills needed in every-day life. This unfortunate situation can be remedied to a large extent by introducing in schools a programme of work experience, as suggested by the Kothari Commission. This is a long-term programme since its success will depend mainly on the availability of suitably trained instructors, equipment and work-sheds. At the same time, this programme can provide employment as instructors to agriculture graduates, ITI and polytechnic trained young men who are looking for work. A sum of Rs. 4.42 crores was sanctioned in 1971-72 under this Central scheme. The amount was considered adequate to meet the expenditure in the last four months of the financial year.

11. The following guidelines were issued to States:

(i) Central assistance under this scheme will be available if, and only if, the States and Union Territories utilise to the full, the outlays earmarked under elementary education in the Annual Plans;

(ii) Central assistance will be utilised mainly to accelerate the spread of elementary education in the backward districts;

(iii) A high-level committee of officials and non-officials should be set up in each district to assist in the implementation of the programmes and for the mobilisation of public support;

(iv) In the appointment of teachers under the scheme, preference will be given to trained teachers and also to local persons, particularly women and members of the Scheduled Castes and Scheduled Tribes. In schools located in the backward pockets, hilly areas and in other inaccessible places, preference will be given to persons normally resident in the areas even though they may not have the minimum qualifications; and

(v) In the allocation of teachers under the scheme, priority will be given: (a) to the opening of new primary schools in villages which are not served so far; (b) to existing schools which have a high teacher-pupil ratio—1:40 and above; and (c) upgrading primary schools to middle schools in areas not well-served with middle schools.

12. In 1972-73, it is proposed to allocate Rs. 30 crores under a separate Central scheme for elementary education under the overall provision for special welfare schemes. Provision is proposed to be made for the following:

(i) Continuation of the entire programme started in 1971-72. This will cost Rs. 12 crores in a full year.

(ii) The programme commenced in 1971-72 should be doubled *i.e.* 30,000 additional teachers, 240 additional inspectors, book grants, mid-day meals and teachers for work experience should be sanctioned during 1972-73 on the same terms and conditions as in 1971-72. Since the fresh appointments will be for a period of nine months, the cost in the year will amount to about Rs. 9 crores.

(iii) The remaining Rs. 9 crores may be set apart to assist States and Union Territories for the construction of class-rooms.

13. Elementary school buildings are in poor condition in most States. While expansion has taken place rapidly and teachers have been appointed to cope with the increasing enrolment, there has been no corresponding effort either on the part of State Governments or of the village communities to construct additional class rooms. The presence of a simple school house in a habitation will also make it possible for the school to function as a base for other welfare activities such as the pre-school feeding programme of the Department of Social Welfare which is, at present, hampered seriously for want of adequate accommodation for the feeding centres. In view of this, a sum of Rs. 9 crores is proposed to be set apart for school rooms. One half of the cost of construction will be met from the Central grant and the remaining provided by the State Government and/or the community. Preference will be given to construction of class rooms in tribal areas, drought prone areas and urban slums.

14. This new Central scheme is expected to further the Fourth Plan objectives in the following manner:

(i) Disparities in educational facilities among different States will be narrowed. Within the States, backward districts will be provided with more schools. The number of middle classes or upper primary classes will also increase. Thus, the scheme will assist in the early realisation of the Constitutional Directive.

(ii) In view of the emphasis on the provision of facilities in the backward areas and a substantial provision for mid-day and free text books, it is expected that the new enrolment will comprise largely of girls and children of Scheduled Castes and Scheduled Tribes. The scheme will promote social justice.

(iii) The scheme will improve the teacher-pupil ratio and to introduce work experience in about 2,000 schools by 1972-73. About 30,000 additional class rooms will be built. This will improve the quality of instruction and reduce wastage.

(iv) The scheme will create employment for 30,000 teachers, 240 assistant inspectors and 1000 teachers for work experience in 1972-73. This will be in addition to employment of a similar order created in 1971-72. The construction of 30,000 class rooms will create employment for skilled and unskilled workers in rural areas.

CHAPTER 7

NUTRITION PROGRAMMES

The integrated nutrition programme envisages that more food is the first step towards better nutrition. The nation-wide endeavour to develop agriculture along with animal husbandry and fisheries should be regarded as the base of all effort in nutrition. Widespread malnutrition among certain vulnerable categories of population, especially children and lactating and pregnant mothers, remains to be solved.

2. As many as 39 schemes of nutrition which are implemented in the Fourth Plan as part of the integrated nutrition effort. The important feeding programmes are the mid-day meals programmes for school children, special nutrition programme for pre-school children, pregnant women and lactating mothers and the balwadi feeding programme, applied untrition programme and composite nutrition programme of the Department of Community Development and Social Welfare. It is estimated that in the Fourth Five Year Plan, the outlay on these programmes would be of the order of Rs. 300 crores. A provision of Rs. 20 crores is made in the budget for 1972-73 for the special nutrition programme of the Department of Social Welfare as against Rs. 10 crores made for the same programme in 1971-72. A provision of Rs. 140 lakhs has been provided in 1972-73 for the production of Balahar as against Rs. 122 lakhs made in 1971-72. The total outlay on all the nutrition programmes will be significantly stepped up from about Rs. 18 crores in 1971-72 to about Rs. 30 crores in 1972-73, as indicated in the Annexure.

3. The Department of Social Welfare has formulated a special nutrition programme for pre-school children in the age group of 0—6 years in tribal areas and slums of big cities and towns. This scheme was launched in 1970-71, when 6.8 lakh children—3.4 lakh in tribal areas and 3.4 lakh children in slum areas were proposed to be covered with an outlay of Rs. 4 crores. The programme has been extended during 1971-72 to include the expectant and nursing mothers in tribal development blocks, slums and cities with more than one lakh population. It was estimated that about 20 lakh beneficiaries will be covered under the programme during 1971-72. In 1972-73, it is proposed to cover about 30 lakh beneficiaries. Thus the coverage of the programme will be extended to areas of the greatest need in chronically drought prone regions. A provision of Rs. 20 crores is being made for 1972-73. The programme is being re-oriented along the following lines:

(i) The special feeding programme will be strengthened through an appropriate integration of health care, immunisation, nutrition education and child welfare services. Such a qualitative improvement will be attempted through selective experimentation in different socio-cultural zones in the country.

(ii) The existing infra-structure, both governmental and voluntry, would be utilised fully. Special efforts will also be made to promote the infra-structure wherever needed to provide an organisational base for future development of the programme.

(iii) Administrative and functional models at block|village level for integrating services for young children would be developed after a study by an inter-departmental group constituted by Planning Commission.

4. It is proposed to provide the following supplemental items of food to the beneficiaries:

(*i*) For children between 0-1 year	Milk and food of semi-solid consistency and providing 200 calories and 12 grams of protein per day for 300 days a year.
(*ii*) Children in the age group of 1-6 years	Processed or prepared food giving 300 calories and 12 grams of protein per day for 300 days in a year.
(*iii*) Expectant mothers	Processed/prepared food giving 500 calories and 16-20 grams of protein and in addition folic acid and iron daily and multi-vitamin tablets on alternative days.
(*iv*) Nursing mothers	Processed/prepared food giving 500 calories and 20-25 grams of protein and multi-vitamin tablets on alternate days.

Nutrition Programme

5. This programme with the Fourth Plan provisions of Rs. 5 crores was inaugurated in December 1970. This scheme is being implemented with the help of Indian Council of Child Welfare, Bhartiya Adamjati Sevak Sangh, Harijan Sevak Sangh and the Central Social Welfare Board. It is estimated that upto the end of 1970-71 about 19,000 children benefited from this programme. A provision of Rs. 1.5 crores is made for 1972-73. Along with fuel and other items to be supplied through local contribution, the total cost per child per day for the feeding programme is expected to be around 25 paise. The Planning Commission have indicated that the two programmes of nutrition feeding now implemented by Department of Social Welfare for pre-school children could be integrated.

School Feeding

6. In the Fourth Plan the mid-day meals programme for school children is being implemented in the State sector with Central assistance for school children. The programme provides for supply of mid-way meals to school children for about 200 days in an academic year. Currently, the programme is in operation in all States except Assam, Jammu and Kashmir, Bihar and Nagaland. The number of beneficiaries is approxi-

mately 117.5 lakhs. The target in the Fourth Plan is to cover 14 million beneficiaries. In 1971-72 the total outlay for this scheme provided by States was roughly Rs. 6.4 crores.

Production of Nutritive Foods

Balahar

7. The revised Fourth Plan includes a provision of Rs. 7.13 crores to produce 2.5 lakh tonnes of Balahar. For 1972-73 a provision of Rs. 140 lakhs has been made. The programme for 1972-73 is to produce 55,000 tonnes of Balahar mainly for school feeding programmes. This reflects the country's endeavour to promote self-reliance in regard to foodstuffs used in supplemental feeding preparations.

Weaning Foods

8. The weaning food is comparable to Balahar in nutritional qualities but has the advantage that it is pre-cooked and has longer storage life. One unit has been developed in collaboration with Kaira District Milk Cooperative Union, Anand with the assistance of UNICEF and USAID for production of low cost pre-cooked weaning food. The Annual Plan includes a provision of Rs. 5 lakhs to carry out market studies in regard to this product.

Protein Isolate Toned Milk

9. The object of this project is to encourage its use and increase milk supply and lower the cost of milk to the consumer. Production of toned milk has already been started in Bangalore with the cooperation of the State Government Dairy and Central Food Technological Institute, Mysore. The initial daily production of about 500 litres has been stepped up recently to 1000 litres per day. It is proposed to set up production units at two more centres. A provision of Rs. 15 lakhs has been made for the programme in the budget for 1972-73.

10. Programmes of nutrition for vulnerable groups sponsored by the Ministry of Health and Family Planning include the following schemes:

(a) *Vitamin A Deficiency*

Children in the age group 1—5 years are given a large dose of Vitamin A under the scheme once every six months to prevent blindness. About 48 lakh doses of Vitamin A solution were procured centrally at a total cost of Rs. 7.34 lakhs during 1970-71. A provision of Rs. 20 lakhs is being made for 1972-73.

(b) *Nutritional Anaemia*

The scheme seeks to provide preventive measures against nutritional anaemia in expectant mothers and children by administering ferrous sulphate (iron) and folic acid at maternity and child welfare and family planning centres. During 1972-73 a provision of Rs. 60 lakhs is being made.

(c) *Supplementary Feeding*

At present State Government of Kerala and Tamil Nadu have organised feeding schemes with corn soya milk (CSM) through health centres. 80 grams of CSM and 8 grams of salad oil are given to each beneficiary in the form of food preparation such as porridge sweetened with ground sugar or as *Uppuma*. 20,000 beneficiaries are covered in Tamil Nadu. The number of beneficiaries in Kerala is about 1.4 lakhs.

ANNEXURE

Provision for Nutrition Schemes recommended for Annual Plan 1972-73

(Rs. lakhs)

Sl. No.	Scheme	1971-72 Estimates	Annual Plan 1972-73
0	1	2	3
	Department of Food		
1	Production of groundnut flour and Soyabean products	20·00	20·00
	(a) Purchase of Solvent extraction plant at Ujjain	..	..
	(b) Setting up of a pilot plant for development of soyabean products at Pantnagar .	10·00	..
2	Pilot plant for protein isolate and isolate toned milk	10·00	15·00
3	Fortification of salt	4·00	3·00
4	Mobile food and nutrition extension units	12·50	15·00
5	Institute of Catering Technology and Applied Nutrition	18·20	20·00
6	Research Schemes	0·50	4·00
7	Production of Balahar and low cost protein food	122·60	140·00
8	Fruit products and cold storage . . .	2·00	5·00
9	Production of peanut butter . . .	..	..
10	Fortification of wheat . . .	24·60	40·00
11	Audio-Visual aids and publicity . . .	2·92	10·00
12	Extension work through voluntary agency .		
13	Production of weaning food . . .	10·00	5·00
14	Community Canning and Fruit Preservation Centres	11·40	15·00
15	Nutrition education through commercial channels of Modern Bakeries . . .	5·00	..
16	Cotton seed Flour	..	3·00
17	Maize, pulses and millet processing	1·25	..
18	Food technology training centres .	1·00	9·00
19	Fortification of Bread . . .	..	..
20	Nutrition Diet Survey . . .	..	3·00
21	Studies in acceptability of nutritious foods .	1·00	2·00

ANNEXURE—contd.

(Rs. lakhs)

Sl. No.	Scheme	1971-72 Estimates	Annual Plan 1972-73
0	1	2	3
22	Drying of groundnut and control of aflatoxin	..	1·58
23	Formulation of low cost diet through linear techniques	..	0·86
24	(a) Upgrading of laboratories	6·44	7·53
	(b) Directional expenditure		
	TOTAL	263·4	318·97
Department of Community Development			
1	Applied Nutrition Programme	225·00	195·00
2	Composite Programme for women and pre-school children		
	(i) Nutrition education through Mahila Mandals[1]		
	(ii) Strengthening supervisory machinery for women's programme[1]		
	(iii) Demonstration feeding	50·00	83·00
	(iv) Encouragement of economic activities by Mahila Mandals		
	(v) Training associate women workers	4·00	4·00
	TOTAL	279·0	282·00
Department of Health and Family Planning			
1	Feasibility test of Vitamins and Mineral fortification of Staple Food	0·44	3·00
2	Pilot project for nutrition education through State Nutrition Bureaux	..	0·10
3	Prophylaxis against nutritional anaemia in mothers and children	40·00	60·00
4	Control of blindness in children caused by Vitamin A deficiency	8·00	20·00
	TOTAL	48·44	83·10

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[1] These schemes are implemented by State Governments.

ANNEXURE—*contd.*

(Rs. lakhs)

Sl. No.	Scheme	1971-72 Estimates	Annual Plan 1972-73
0	1	2	3
	Department of Education		
1	School feeding	106·00[1]	104·87[1]
	Department of Scoial Welfare		
1	Nutrition feeding of pre-school children through Balwadis	102·00	2150·00
2	Special Nutrition Feeding Programmes for children in 0-6 years and expectant and nursing mothers in slum areas and tribal areas[2]	1000·00	
	TOTAL	1102·00	2150·00
	New Schemes added under the Department of Food for the Annual Plan 1972-73		
1	Soya processing plant with UNICEF assitance to be set up by Food Corporation of India	..	15·00
2	Nutricube Development and Testing	..	5·00
3	Sago weaning foods and development and testing	..	2·00
4	Tea fortification	..	0·50
5	Extruder cooking processing	..	10·00
6	Tamil Nadu Nutrition Study	..	4·00
	TOTAL	..	36·50
	GRAND TOTAL	1798·85	2975·44

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[1] Proposed by the State Governments in their Draft Annual Plans.

[2] This scheme was not included in the Fourth Plan document. This is being included now.

CHAPTER 8

URBAN DEVELOPMENT, HOUSING AND SLUM IMPROVEMENT

The 1971 census has once again underlined the dimensions of growing urbanisation in India. In the decade 1961/1971 the urban population has increased from 79 million to 109 million registering a growth rate of about 38 per cent. The proportion of urban population to total population has increased in this period from 18 to 20 per cent. The number of towns with the population of 100,000 and above has gone up from 113 to 142. The growth of cities has to be limited on the one hand and basic amenities such as water supply, sanitation, transportation and housing to the urban population have to be provided on the other.

2. Integrated metropolitan planning has been initiated in the Calcutta Metropolitan district, Greater Bombay, the Madras Metropolitan area and in Delhi. The Maharashtra Government is developing a twin city across the Thana Creek to accommodate a population of nearly 10 to 15 lakhs. Haryana and U.P. are making satisfactory progress in developing Faridabad and Ghaziabad on the outskirts of Delhi. The Tamil Nadu Government has proposed the establishment of 3 satellite towns near Madras.

3. Both from an urban development angle and as a resource-raising measure the large scale acquisition and development of land in major cities has a high priority. The Fourth Plan has emphasised that one of the largest sources of unearned income at present lies in the rapid increase in urban land values. This

source should be mobilised for social purposes. The Delhi Development Authority has made progress in this direction and other States will have to envisage similar arrangements. The recent amendment of the Constitution should help in these efforts.

Calcutta

4. The magnitude of the urban problem in the Calcutta Metropolitan district is such that special attention has been directed towards improvements to Calcutta as the highest priority. The Five Year Plan of West Bengal contained a provision of Rs. 42.88 crores for water supply, sewerage and drainage, transportation and Bustee improvement in Calcutta. In view of the special problems of this city it was decided that this provision should be increased very significantly to a total outlay of the order of Rs. 160 crores in the Plan period. The enlarged provision is being met through additional resources from taxation, market borrowing and special assistance from the Centre. The pace of implementation by the Calcutta Metropolitan Development Authority has accelerated in the last three years. In 1969-70 the total expenditure was Rs. 3.14 crores. It was increased to Rs. 10.53 crores in 1970-71. The expenditure anticipated in 1971-72 will be as much as Rs. 35 to 40 crores. This trend gives room for confidence that the considerably enlarged Plan traget of about Rs. 160 crores is likely to be achieved during the Plan period.

Housing and Urban Development Corporation

5. Another new initiative that has been launched is the establishment of a Central Housing and Urban Development Corporation in 1970-71. A provision of Rs. 10 crores has been made in the Plan as a contribution towards the equity capital of HUDCO. The Corporation will build up a revolving fund by

supplementing this contribution through borrowings in the market and from financial institutions. The LIC has undertaken to advance a loan of Rs. 10 crores to the Corporation. This will be in addition to direct housing loans extended by the LIC to State Governments. It is expected that this loan will mature in 1972-73. In addition to Rs. 4 crores received as equity capital, the Corporation also raised debentures to the extent of Rs. 5 crores during the year 1971-72. It has approved 12 composite housing and urban development schemes of the total estimated cost of Rs. 62.45 crores in various States and has undertaken to advance Rs. 34.86 crores as loans in suitable instalments depending on the requirements of funds by the various implementing authorities. An amount of Rs. 6.5 crores already stands released in 1971-72. It is the policy of HUDCO to give preference to composite urban development schemes which contain a component for slum clearance and improvement. Assistance for such schemes will also qualify for a low rate of interest.

Slum Improvement

6. Government have also recognised that a massive and direct effort is required for promoting urgent environmental improvements in slum areas such as provision of water supply, sewerage and drainage, paving of streets, street lighting and basic sanitation. A scheme on these lines for Bustee improvement is under implementation in Calcutta since 1970-71. In the Budget for 1972-73 a scheme on similar lines will be made applicable to 11 cities including Calcutta having a population of over 8 lakhs as per the 1971 census. Under this scheme it will be possible for State Governments to take up programmes costing Rs. 20 crores in 1972-73. The States can utilise funds from the scheme for the acquisition of slum areas and superstructures, wherever necessary, particularly in the core areas of the cities. These funds available from the new scheme will supplement funds for the redevelopment of slum areas and the rehousing of the slum population from the resources of the

State Governments and from institutional sources such as the HUDCO and LIC. Assistance from the new scheme will be provided in the form of 100 per cent grants from the Centre. The 11 cities covered by the scheme have a total population of 28 million which is nearly 27 per cent of the urban population of India. This new initiative, therefore, represents a major and significant attempt to make a dent of this problem.

Other Housing Schemes for Weaker Sections

7. Housing programmes in the States sector include subsidised schemes like the Industrial Housing and Slum Clearance and Improvement schemes carrying with them the benefit of a subsidy normally equal to 50 per cent of the approved ceiling cost. In view of the rising construction costs, a Committee appointed by the Ministry of Works and Housing has recommended an upward revision of ceiling costs for such schemes. These revised ceiling costs will also be applicable to the Central scheme for dock labour housing being operated through Dock Labour Boards. In this scheme the pattern of financial assistance has already been liberalised by raising the subsidy from 20 per cent to 25 per cent and the loan content from 35 per cent to 50 per cent, thus reducing the share of contribution of Dock Labour Boards from 45 per cent to 25 per cent.

Rural Housing

8. In the field of rural housing, under the Village Housing Project loans upto Rs. 3000 are advanced for housing construction As in the case of slum areas, the Government have been stressing upon States to increase these provisions and give grants for environmental improvements in villages.

9. During 1971-72, a Central scheme for provision of house sites to landless workers in rural areas has been formulated. Under this scheme, a provision of Rs. 5 crores has been made for the year 1972-73. In the Annual Plan 1972-73, hundred per cent grant to State Governments for provision of sites of

100 to 150 sq. yds. with necessary services like water supply, drainage and paving of streets would be available for allotment to such families. In the initial stages, State Governments have been asked to formulate specific projects on block-wise basis. The scheme envisages that legislation to confer homestead rights to such families. In the initial stages, State Governments have is made available.

10. In 1970-71; the plantation labour housing scheme was transferred from the State sector to the Centre and the pattern of financial assistance liberalised by raising the subsidy from 25 per cent to 37½ per cent. Loans cover one half of the approved costs and the plantation owner has to bear only 12½ per cent of the total cost. Satisfactory progress under this scheme is being reported. Against a provision of Rs. 2 crores for the Fourth Plan period, a provision of Rs. 75 lakhs has been made for 1972-73.

CHAPTER 9

RURAL WATER SUPPLY

A specific programme for rural water supply was included in the First Five Year Plan. A national water supply and sanitation programme for rural areas came into being in 1954 under which a uniform approach was attempted to indicate priorities for selection of villages to be served under the programme, laying down standards and norms and providing financial assistance from the Centre in the form of 50 per cent of the cost of estimate as grant in aid. Rural water supply schemes were also taken up as part of programmes for community development, local development works and welfare of backward classes. By April 1969, it is estimated that nearly 16 lakh handpumps and wells had been provided or renovated in rural areas and 17,000 villages were served with piped water supply. The total expenditure for these works was Rs. 130 crores.

2. Apart from limited funds, both in the Centre and States, major problems in the implementation of the rural water supply schemes during the First Plan period were shortage of material, inadequate transport, lack of public health engineering staff and insufficient data on the rural water supply problems and of water sources. These difficulties were gradually overcome during the succeeding Plans. However, due to technological difficulties in exploring definite sources of water in scarcity and rocky areas, the information is yet incomplete.

3. The provision made in the Fourth Plan of the States and Union Territories for rural water supply amounts to Rs. 125 crores. he outlays are 'earmarked' in the State Annual Plans. The Fourth Plan emphasises that the bulk of this

provision be utilised for areas of acute scaracity, leaving other areas to be served by programmes for community development, welfare of backward classes or through local effort. In the first three years of the Fourth Plan, States have spent more than the outlay approved for rural water supply:

(Rs. crores)

Year	For Rural Water Supply	
	Approved Outlay	Actual/Anticipated Exp.
1969-70	13.10	19.46
1970-71	21.58	25.28
1971-72	28.85	31.10

At this rate, the expenditure on rural water supply will be of the order of Rs. 150 crores in the Fourth Plan. The expenditure on rural water supply during the Fourth Plan period is thus likely to be more than the expenditure during the previous eighteen years. It is anticipated that nearly 13,000 villages will get piped water and about 60,000 wells or hand-pumps will be provided during the Fourth Plan period.

4. States are taking steps to augment their Plan resources with loans from the Life Insurance Corporation. Maharashtra has already obtained Rs. 44.37 lakhs from LIC in 1970-71 and Rs. 192.80 lakhs in 1971-72. Other States like Kerala, U.P. and Andhra Pradesh are making efforts in this direction.

5. To enable States to deal with these programmes in an effective and planned manner, Central assistance is being given through several Centrally-sponsored and Central schemes. Under a Centrally-sponsored scheme, special investigation divisions have been set up since the beginning of the Third Plan. These divisions collect data and prepare feasibilty reports on rural water supply in the areas having permanent disadvantages. According to reports received from the State Governments, excluding J and K and West Bengal, 46,585 villages have been fully surveyed by the special investigation divisions during the

period 1962-71. These divisions have lately been substantially strengthened and new units have been set up in the new States. For this purpose, the Plan provision has been stepped up from Rs. 2 crores to Rs. 3.5 crores. The outlay proposed for 1972-73 is Rs. 89 lakhs.

6. Under another Central scheme, UNICEF assistance is being secured through 100 high speed drilling rigs suitable for hard rocky areas. These rigs will be utilised by States for drilling small bores at a fast rate in the difficult areas so that drinking water may be made available to the villages by installing simple handpumps over such bores. The value of the rigs is estimated to be Rs. 5.70 crores. Nearly, 50 rigs are expected to be received by the end of the year and another 35 rigs are expected in 1972-73. The scheme provides for local expenses in taking delivery, assembly, transport and testing as well as for spare parts for the imported rigs. In 1972-73, with the help of these rigs, about 3000 bores will be drilled.

7. Under a new scheme for providing employment to the educated unemployed taken up this year, planning and design units have been set up in States for preparation of plans and estimates for rural water supply schemes. They will be taken up for implementation in the Fifth Plan and partly, if possible, during the Fourth Plan. A provision of Rs. 1.10 crores has been made for these schemes in the Fourth Plan, of which Rs. 43 lakhs is proposed for 1972-73.

8. Despite the increasing attention paid by the State and Central Governments, greater effort is necessary. It is estimated that out of the total of 5.67 lakh villages, the number of problem villages was initially as under:

(i) 90,656 villages having scarcity of drinking water as they had no assured source of drinking water within a distance of one mile or 50 ft. depth below ground level;

(ii) 33,867 villages which lie in cholera endemic area;

(iii) 3,184 villages which lie in guinea-worm infested area; and

(iv) 24,778 villages with other health problems due to excessive fluorides, salinity or iron in water.

By the end of 1973-74, it is estimated that nearly 28,000 of a total of nearly 1.53 lakh villages will be covered by the schemes for rural water supply leaving nearly 1.25 lakh villages to be served outside the normal programme upto the end of the Fourth Plan. For the remaining villages, it is estimated Rs. 564 crores is required for providing assured and safe sources of drinking water.

9. Under the overall budget provision for special welfare schemes, a new scheme is being evolved for accelerating the rural water supply programme in 1972/73. It is proposed to provide for schemes to the tune of Rs. 20 crores to be taken up by the States in 1972/73 under this special programme. Allocations to States will be based on needs as determined by the number of villages in scarcity areas and villages suffering from cholera or guinea-worm infestation or other special problems. The relative costs of providing water supply in different areas will also be taken into account. States will be expected to draw up schemes as far as possible on a compact area basis. Preference will be given to the provision of water supply to the weaker sections such as the tribals, Harijans and other backward classes.

10. The increased allocation of Rs. 20 crores for this purpose will be a significant step up to the current expenditure level of about Rs. 31 crores in the States on rural water supply. It is hoped that investigations already carried out by the special investigation divisions functioning in the States under a Centrally-sponsored scheme will enable this additional provision to be spent. Experience gained in this scheme will be a very useful for working out a time-bound schedule for meeting this basic minimum need in the Fifth Plan.

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